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PRESS RELEASE

Avidbank Holdings, Inc. Releases Second Quarter Results

Palo Alto, CA - July 24, 2012 - Avidbank Holdings, Inc., parent company of Avidbank, today announced its unaudited results for the second quarter of 2012.

“Our continued effort to gain greater market share and awareness by growing loans and deposits produced strong results in the second quarter. Our business development teams have done an excellent job generating more opportunities with quality credits and clients,” stated Chairman and Chief Executive Officer, Mark D. Mordell. “Unlike 2011, we are now a full taxpayer and therefore our net income was down slightly from a year ago. We increased our pretax income to almost \$2.4 million for the first half of 2012 compared to \$1.7 million for the same period of 2011.”

Financial Results

In thousands, except per share amounts (unaudited)

	<u>6/30/12</u>	<u>6/30/11</u>	<u>% Change</u>	<u>12/31/11</u>	<u>% vs. 12/31/11</u>
Total Assets	\$387,965	\$307,995	26%	\$342,204	13%
Loans	\$237,341	\$182,415	30%	\$207,964	14%
Deposits	\$349,195	\$275,053	27%	\$306,690	14%
Classified Loans to					
Capital and Reserves	24%	36%	-33%	21%	13%
Net Interest Margin	4.41%	4.12%	7%	4.09%	8%
Efficiency Ratio	68%	73%	-7%	72%	-6%
ALLL to Loans	1.88%	2.20%	-15%	2.10%	-11%
Shareholders' Equity	\$35,750	\$31,915	12%	\$33,695	6%
Common Shares	2,614	2,602	0%	2,602	0%
Book Value per Share	\$13.68	\$12.26	12%	\$12.95	6%
Book Value per Share excluding TARP	\$11.38	\$9.96	14%	\$10.64	7%
Tier 1 Leverage Ratio	9.72%	10.03%	-3%	10.37%	-6%
Total Risk Based Capital Ratio	12.09%	13.85%	-13%	12.84%	-6%

	Quarter Ending <u>6/30/12</u>	Quarter Ending <u>6/30/11</u>	<u>% Change</u>	Year-to-Date <u>6/30/12</u>	Year-to-Date <u>6/30/11</u>
Revenue	\$4,349	\$3,712	17%	\$8,660	\$7,691
Interest Expense	\$500	\$591	-15%	\$1,002	\$1,236
Loan Loss Provision	\$100	\$50	100%	\$100	\$50
Non-interest Expense	\$2,639	\$2,283	16%	\$5,179	\$4,713
Pretax Income	\$1,110	\$787	41%	\$2,379	\$1,692
Income Tax Expense	\$457	\$90	408%	\$956	\$180
Net Income	\$653	\$697	-6%	\$1,424	\$1,512
Earnings Per Share	\$0.22	\$0.23	-8%	\$0.48	\$0.42

“Our team is executing our plan at all levels,” said Kenneth D. Brenner, the Company's President. “We are looking for continued performance in all divisions in the second half of the year while continuing to maintain credit quality.”

About the Bank

Our goal at Avidbank is to advance our clients' success by offering innovative financial solutions and service. Our exceptional 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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