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PRESS RELEASE

Avidbank Holdings, Inc. Releases Third Quarter Results

Palo Alto, CA - October 23, 2012 - Avidbank Holdings, Inc., parent company of Avidbank, today announced its unaudited results for the third quarter of 2012.

“We are pleased that our focus on business development and the quality management of our loan portfolio continue to generate solid results,” stated Mark D. Mordell, Chairman & CEO. “Although our pre-tax income is up 13% from a year ago, net income is down 28% due to becoming a full tax payer. Our credit quality continues to improve with our classified loans to capital and loan loss reserves dropping 64% giving us the platform required for our growth.”

Financial Results

In thousands except per share amounts (unaudited)

	<u>9/30/12</u>	<u>9/30/11</u>	<u>% Change</u>	<u>12/31/11</u>	<u>% vs. 12/31/11</u>
Total Assets	\$415,459	\$328,629	26%	\$342,204	21%
Loans	\$233,352	\$185,067	26%	\$207,964	12%
Deposits	\$373,849	\$295,489	27%	\$306,690	22%
Classified Loans to					
Capital and Reserves	12%	34%	-64%	21%	-42%
Net Interest Margin	4.21%	4.06%	4%	4.09%	3%
Efficiency Ratio	68%	72%	-5%	72%	-5%
ALLL to Loans	1.84%	2.09%	-12%	2.10%	-13%
Shareholders' Equity	\$37,356	\$32,223	16%	\$33,695	11%
Common Shares	2,614	2,602	0%	2,602	0%
Book Value per Share	\$14.29	\$12.38	15%	\$12.95	10%
Book Value per Share excluding TARP	\$12.00	\$10.08	19%	\$10.64	13%
Tier 1 Leverage Ratio	8.86%	9.78%	-9%	10.37%	-15%
Total Risk Based Capital Ratio	12.00%	13.29%	-10%	12.84%	-7%

	Quarter Ending <u>9/30/12</u>	Quarter Ending <u>9/30/11</u>	<u>% Change</u>	Year-to-Date <u>9/30/12</u>	Year-to-Date <u>9/30/11</u>
Revenue	\$4,301	\$3,930	9%	\$12,960	\$11,620
Interest Expense	\$449	\$547	-18%	\$1,451	\$1,783
Loan Loss Provision	\$0	\$0	0%	\$100	\$50
Non-interest Expense	\$2,653	\$2,354	13%	\$7,832	\$7,067
Pretax Income	\$1,198	\$1,029	16%	\$3,578	\$2,721
Income Tax Expense	\$542	\$120	352%	\$1,498	\$300
Net Income	\$656	\$909	-28%	\$2,080	\$2,421
Earnings Per Share	\$0.22	\$0.32	-31%	\$0.70	\$0.74

“Our business development officers have been doing an excellent job in this competitive market,” said Kenneth D. Brenner, President. “We are excited about the additional production and synergy we are experiencing with our expansion into two new markets with the opening of loan production offices in San Jose and Redwood City.”

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.