



FOR IMMEDIATE RELEASE

PRESS RELEASE

Avidbank Holdings, Inc. Announces Successful Completion of \$16.0 Million Private Offering

Palo Alto, CA – June 26, 2013 – Avidbank Holdings, Inc. (OTCBB: AVBH), the parent company of Avidbank, today reported the successful completion of a \$16.0 million private offering of common shares. Investors purchased 1,641,026 newly issued Avidbank common shares at a purchase price of \$9.75 per share.

Mark D. Mordell, Chairman and CEO of Avidbank Holdings, Inc. stated, "We believe the successful completion of this offering is a significant step forward for our Company, providing the capital we need to continue our growth and giving us the opportunity to repurchase our outstanding TARP securities. It will also allow us to maximize our potential in one of the most opportune markets in the country."

Mr. Mordell added, "We welcome our new institutional shareholders as well as an increased commitment from our Board of Directors and management, and appreciate the confidence expressed in the future of our Company and in the Avidbank team."

Sandler O'Neill + Partners, L.P. acted as the sole placement agent for Avidbank Holdings in connection with the offering. Manatt, Phelps & Phillips, LLP acted as legal counsel to Avidbank Holdings.

About Avidbank

Headquartered in Palo Alto, California, Avidbank was founded in 2003, as an independent full-service commercial bank serving businesses and consumers in Northern California. As of March 31, 2013 the Company had \$417 million in assets, and has a branch in Palo Alto and loan production offices in downtown San Jose and Redwood City. 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.

Note Regarding Forward Looking Statements

This news release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the fact that they do not relate strictly to historical or current facts, and generally include the words "believes", "plans", "intends", "expects", "opportunity", "anticipates", "targeted", "continue", "remain", "will", "should", "may" or words of similar meaning. While we believe that our forward-looking statements and the assumptions underlying them are reasonably based, such statements and assumptions, are, by their nature subject to risks and uncertainties, and thus could later prove to be inaccurate or incorrect. Accordingly, actual results could materially differ from forward-looking statements for a variety of reasons, including, but not limited to local, regional, national and international economic conditions and events and the impact they may have on us and our customers, and in particular in our market areas; ability to attract deposits and other sources of liquidity; ability to successfully repurchase our outstanding TARP securities; oversupply of property inventory and deterioration in values of California real estate, both residential and commercial; a prolonged slowdown or decline in construction activity; changes in the financial performance and/or condition of our borrowers; changes in the level of non-performing assets and charge-offs; the cost or effect of acquisitions we may make; the effect of changes in laws and regulations (including laws, regulations and judicial decisions concerning financial reform, capital requirements, taxes, banking, securities, employment, executive compensation, insurance, and information security) with which we and our subsidiaries must comply; changes in estimates of future reserve requirements and minimum capital requirements based upon the periodic review thereof under relevant regulatory and accounting requirements; ability to adequately underwrite for our asset based and corporate finance lending business lines; our ability to utilize all or part of any deferred tax asset; the impact of our participation in the United States e; our ability to raise capital; inflation, interest rate, securities market and monetary fluctuations; cyber-security threats including loss of system functionality or theft or loss of data; political instability; acts of war or terrorism, or natural disasters, such as earthquakes, or

the effects of pandemic flu; destabilization in international economies resulting from the European sovereign debt crisis; the timely development and acceptance of new banking products and services and perceived overall value of these products and services by users; changes in consumer spending, borrowing and savings habits; technological changes; the ability to increase market share, retain customers and control expenses; ability to retain and attract key management and personnel; changes in the competitive environment among financial and bank holding companies and other financial service providers; continued volatility in the credit and equity markets and its effect on the general economy; the effect of changes in accounting policies and practices, as may be adopted by the regulatory agencies, as well as the Public Company Accounting Oversight Board, the Financial Accounting Standards Board and other accounting standard setters; changes in our organization, management, compensation and benefit plans, and our ability to retain or expand our management team; the costs and effects of legal and regulatory developments including the resolution of legal proceedings or regulatory or other governmental inquiries and the results of regulatory examinations or reviews; our success at managing the risks involved in the foregoing items. We do not undertake, and specifically disclaim any obligation to update any forward-looking statements to reflect occurrences or unanticipated events or circumstances after the date of such statements except as required by law.

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