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FOR IMMEDIATE RELEASE

PRESS RELEASE

Avidbank Holdings, Inc. Completes Redemption of \$6 million in Preferred Stock Issued Under TARP CPP Program

Palo Alto, CA – (Business Wire) – August 1, 2013 – Avidbank Holdings, Inc. (“the Company”) (OTCBB: AVBH), sole owner of Avidbank (“the Bank”), an independent full-service commercial bank serving businesses and consumers in Northern California, today announced that it has completed the redemption of all outstanding shares of its non-cumulative perpetual preferred stock previously held by the U.S. Treasury under its Troubled Asset Relief Program - Capital Purchase Program (TARP CPP).

As announced June 26, 2013, the Company successfully completed a \$16.0 million private offering of common shares to institutional investors. Of the funds raised in the private offering, \$6,000,000 was scheduled to redeem the preferred stock issued to the U.S. Treasury under the TARP CPP program and the balance was to fund future growth opportunities.

“Although the TARP funds have assisted us during the challenging economic times of 2008 and beyond, we are pleased to have the growth opportunities and the investor and market support to allow us to repay this obligation to the government,” stated Mark D. Mordell, Chairman and Chief Executive Officer. “The growth we have experienced and our future prospects are due to the great work of our proven team as well as some key new executives who have chosen to join us.”

Mr. Mordell also commented, “After the repayment of TARP, the infusion of new equity at a time of growth in assets, loans and deposits enabled us to substantially strengthen the Bank’s key capital ratios. At June 30, 2013, the Bank had a Tier 1 Leverage ratio of 10.98%, a Tier 1 Risk-Based Capital ratio of 13.79%, and a Total Risk-Based Capital ratio of 15.04%. All ratios exceeded minimum regulatory standards to be deemed ‘well-capitalized’ under regulatory guidelines, giving us the necessary platform to further increase our franchise value.”

About Avidbank

Avidbank Holdings, Inc., headquartered in Palo Alto, California, offers innovative financial solutions and services. We specialize in the following markets: commercial & industrial, corporate finance, asset-based lending, real estate construction and commercial real estate lending, and real estate bridge financing. Avidbank advances the success of our clients by providing them with financial opportunities and serving them as we wish to be served – with mutual effort, ingenuity and trust – creating long-term banking relationships.

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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