



Contact: Steve Leen, Chief Financial Officer  
(650) 843-2204  
[www.avidbank.com](http://www.avidbank.com)

**FOR IMMEDIATE RELEASE**

PRESS RELEASE

## **Avidbank Holdings Announces Completion of \$12 Million Private Placement of Subordinated Notes**

PALO ALTO, CA – (Business Wire) – 11/18/15 – Avidbank Holdings, Inc. ("the Company") (OTCBB: AVBH), a bank holding company and the parent company of Avidbank ("the Bank"), an independent full-service commercial bank serving businesses and consumers in Northern California, announced today the completion on November 12, 2015 of a private placement of \$12 million in ten-year, fixed-to-floating rate subordinated notes to certain qualified institutional accredited investors. The subordinated notes have a maturity date of November 15, 2025 and bear interest at the rate of 6.875% per annum, payable semiannually, for the first five years of the term, and then at a variable rate that will reset quarterly to a level equal to the then current 3-month LIBOR plus 536.7 basis points over the remainder of the term. The notes are redeemable after five years subject to satisfaction of certain conditions. The indebtedness evidenced by the subordinated notes, including principal and interest, is unsecured and subordinate and junior to general and secured creditors and depositors.

The subordinated notes were issued at the holding company level, and have been structured to qualify as Tier 2 capital for regulatory purposes. The Company plans to use the proceeds from the placement of the subordinated notes for general corporate purposes including, but not limited to, contributing capital to the Bank to fund future growth.

In discussing the private placement, Chairman and Chief Executive Officer Mark D. Mordell stated, "We are pleased to announce the successful placement of our subordinated debt. We also appreciate the confidence the market has shown in our mission to be a significant independent bank in the San Francisco Bay area and beyond. This capital will help us take our Bank to the next level."

Sandler O'Neill + Partners, L.P. acted as placement agent for the private placement of the subordinated notes. The Company was advised by Manatt, Phelps & Phillips, LLP.

### **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.*

### **Forward-Looking Statement:**

This news release contains statements that are forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995, including statements regarding plans for the Bank's growth and use of capital. These statements are based on current expectations, estimates and projections about Avidbank's business based, in part, on assumptions made by management. These statements are not guarantees of future performance and involve risks, uncertainties and assumptions that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed or forecasted in such forward-looking statements due to numerous factors, including those described above and the following: Avidbank's timely implementation of new products and services, technological changes, changes in consumer spending and savings habits, our credit quality, the performance of our customers on their obligations, deposit growth, liquidity, competition, the affect of government supervision and regulation and other risks discussed from time to time in Avidbank's reports and filings with banking regulatory agencies. In addition, such statements could be affected by general industry and market conditions and growth rates, and general domestic and international economic conditions. Such forward-looking statements speak only as of the date on which they are made, and Avidbank does not undertake any obligation to update any forward-looking statement to reflect events or circumstances after the date of this release.

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