

FOR IMMEDIATE RELEASE

**PRESS RELEASE**

**Avidbank Holdings, Inc. Announces Net Income of \$8.4 Million for the Fourth Quarter of 2022**

SAN JOSE, CA (Accesswire) – 01/30/23 – Avidbank Holdings, Inc. (OTC Pink: AVBH) announced income for the fourth quarter of 2022 of \$8.4 million, or \$1.13 per diluted share, compared to \$7.0 million, or \$0.95 per diluted share, for the third quarter of 2022 and \$2.5 million, or \$0.42 per diluted share, for the fourth quarter of 2021.

Fourth Quarter 2022 Financial Highlights

- Diluted earnings per share of \$1.13 increased \$0.18, or 76% annualized, compared to the third quarter of 2022, and increased \$0.71, or 169%, compared to the fourth quarter of 2021.
- Return on average assets improved to 1.61%, compared to 1.38% in the third quarter of 2022 and 0.49% in the fourth quarter of 2021.
- Taxable equivalent net interest margin increased to 4.41% in the fourth quarter of 2022, compared to 4.07% in the third quarter of 2022 and 2.90% in the fourth quarter of 2021.
- Efficiency ratio improved to 45.42%, compared to 48.00% in the third quarter of 2022 and 58.31% in the fourth quarter of 2021.
- Loans increased \$162 million, or 46% annualized, from September 30, 2022.
- Annualized net charge-offs to average loans totaled 0.00% for the fourth quarter.

2022 Full Year Financial Highlights

- Diluted earnings per share of \$3.55, increased 76% compared to 2021. Net income totaled \$25.0 million, an increase of 104% compared to 2021.
- Return on average assets improved to 1.21%, compared to 0.72% in 2021.
- Taxable equivalent net interest margin increased to 3.78% compared to 3.12% in 2021.
- Efficiency ratio improved to 51.80%, compared to 63.21% in 2021.
- Loans increased \$331 million, or 27%, from December 31, 2021.
- Annualized net charge-offs to average loans totaled 0.01% for the full year of 2022.

“Our strong performance for 2022 continued in the fourth quarter with solid loan growth and continued improvement in our overall profitability,” said Mark Mordell, Chairman and Chief Executive Officer. “The growth we have achieved along with our increased profitability have us well positioned for 2023,” added Mr. Mordell.

Income Statement

Taxable equivalent net interest income totaled \$21.8 million for the fourth quarter of 2022, an increase of \$2.2 million, or 44% annualized, from the third quarter of 2022, and an increase of \$7.5 million, or 53%, from the fourth quarter of 2021. The tax-equivalent net interest margin was 4.41% in the fourth quarter of 2022, an increase of 34 basis points compared to the third quarter of 2022, and an increase of 151 basis points compared to the fourth quarter of 2021. The increase in net interest income and net interest margin were primarily driven by higher interest rates and the growth in average balance of loans.

The yield on loans in the fourth quarter of 2022 was 6.33%, an increase of 83 basis points from the third quarter of 2022 and an increase of 154 basis points from the fourth quarter of 2021. The increase in loan yields was primarily due to

**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**

increases in the Prime rate. Additionally, to help stabilize our loan yield, we hedged \$125 million of our Prime loan portfolio in the fourth quarter of 2022 with receive-fixed interest rate swaps.

The cost of deposits in the fourth quarter of 2022 was 0.90%, an increase of 48 basis points from the third quarter of 2022 and an increase of 76 basis points from the fourth quarter of 2021. The cost of interest-bearing deposits in the fourth quarter of 2022 was 1.59% compared to 0.77% in the third quarter of 2022 and 0.30% in the fourth quarter of 2021.

In the fourth quarter of 2022, we recorded a provision for loan losses of \$1.0 million, compared to \$0.9 million in the third quarter of 2022 and \$3.3 million in the fourth quarter of 2021. The provision in the fourth quarter of 2022 was primarily attributable to the \$162 million increase in loan balances.

Non-interest income was \$1.3 million in the fourth quarter of 2022 compared to \$1.1 million in the third quarter of 2022 and \$2.1 million in the fourth quarter of 2021. The fourth quarter of 2022 included \$119,000 in warrant and success fee income and \$521,000 in other investment income, which was offset by a \$404,000 loss on the sale of \$15 million in investment securities.

Non-interest expense totaled \$10.5 million in the fourth quarter of 2022 compared to \$10.0 million in the third quarter of 2022 and \$9.5 million in the fourth quarter of 2021. This linked quarter increase was primarily due to an increase in salary and incentive expense, offset by a decrease in the FDIC regulatory assessment. The number of full-time equivalent employees on December 31, 2022, totaled 142 compared to 134 on September 30, 2022.

#### Balance Sheet

Total assets were \$2.13 billion as of December 30, 2022, compared to \$1.98 billion on September 30, 2022 and \$2.16 billion at December 30, 2021. Cash and cash equivalents were \$47 million on December 31, 2022, compared to \$37 million on September 30, 2022, and \$493 million on December 31, 2021.

Period end loans on December 31, 2022, totaled \$1.55 billion, which represented an increase of \$162 million, or 46% annualized, from September 30, 2022, and an increase of \$331 million, or 27%, from \$1.22 billion at December 31, 2021. The growth in loans during the fourth quarter of 2022 included an increase of \$134 million in commercial loans. Quarterly average loans for the fourth quarter of 2022 increased \$93 million, or 27% annualized, from the third quarter of 2022 and \$297 million, or 26%, from the fourth quarter of 2021.

The allowance for loan losses on December 31, 2022, was \$16.5 million, representing an increase of \$1.0 million from September 30, 2022. The allowance for loan losses to total loans was 1.06% on December 31, 2022, compared to 1.11% on September 30, 2022. Nonperforming loans to total loans was 0.92% on December 31, 2022, compared to 0.01% on September 30, 2022. The increase was due to a downgrade of one \$14.1 million construction loan credit relating to a completed condominium project which we have been closely monitoring over the last 18 months. We believe that we are well-collateralized to protect the Bank's position with respect to this credit.

Period end deposits were \$1.82 billion on December 31, 2022, compared to \$1.81 billion at September 30, 2022 and \$1.98 billion at December 31, 2021. Quarterly average deposits for the fourth quarter of 2022 increased \$65 million, or 14% annualized, compared to the third quarter of 2022, and increased \$17 million, or 1%, from the fourth quarter of 2021.

Noninterest bearing deposits represented 42% of total deposits on December 31, 2022, compared to 44% on September 30, 2022, and 50% on December 31, 2021. The quarterly average loan to deposit ratio was 77% in the fourth quarter of 2022 compared to 75% in the third quarter of 2022 and 62% in the fourth quarter of 2021.

Book value per share was \$17.99 on December 31, 2022, an increase of \$1.41 compared to \$16.58 on September 30, 2022. Total shareholders' equity totaled \$137.5 million on December 31, 2022, an increase of \$11.1 million compared to September 30, 2022. This included an increase in retained earnings of \$8.4 million and a decrease in accumulated other comprehensive loss of \$2.0 million.

**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**About Avidbank

*Avidbank Holdings, Inc. (OTC Pink: AVBH), headquartered in San Jose, California, offers innovative financial solutions and services. We specialize in commercial & industrial lending, venture lending, structured finance, asset-based lending, sponsor finance, fund finance, and real estate construction and commercial real estate lending. Avidbank provides a different approach to banking. We do what we say.*

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. 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; 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 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 a pandemic; destabilization in international economies resulting from the European sovereign debt crisis; the effects of the Tax Cuts and Jobs Act; 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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**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**
**AVIDBANK HOLDINGS, INC.**
**Selected Financial Data (Unaudited)**

(\$'000, except share and per share amounts)

	2022				2021	For the twelve months ended	
	Fourth Quarter	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	December 31,	
						2022	2021
<b>INCOME AND PER SHARE HIGHLIGHTS</b>							
Net income	\$ 8,415	\$ 7,045	\$ 5,214	\$ 4,349	\$ 2,534	\$ 25,023	\$ 12,264
Basic earnings per share	1.16	0.97	0.78	0.73	0.43	3.64	2.08
Diluted earnings per share	1.13	0.95	0.76	0.71	0.42	3.55	2.02
Book value per share	17.99	16.58	18.27	19.20	21.91	17.99	21.91
<b>PERFORMANCE MEASURES</b>							
Return on average assets	1.61%	1.38%	1.02%	0.83%	0.49%	1.21%	0.72%
Return on average equity	25.48%	19.36%	16.18%	12.72%	7.25%	18.42%	9.18%
Taxable equivalent net interest margin	4.41%	4.07%	3.62%	3.05%	2.90%	3.78%	3.12%
Efficiency ratio	45.42%	48.00%	53.43%	63.72%	58.31%	51.80%	63.21%
Average loans to average deposits	76.98%	74.61%	66.88%	62.31%	61.75%	70.12%	68.68%
<b>CAPITAL</b>							
Tier 1 leverage ratio	9.46%	9.22%	8.72%	6.85%	6.89%	9.46%	6.89%
Common equity tier 1 capital ratio	9.82%	10.24%	10.17%	9.09%	8.90%	9.82%	8.90%
Tier 1 risk-based capital ratio	9.82%	10.24%	10.17%	9.09%	8.90%	9.82%	8.90%
Total risk-based capital ratio	11.76%	12.31%	12.25%	11.28%	11.11%	11.76%	11.11%
Tangible common equity ratio	6.45%	6.38%	6.90%	5.75%	6.34%	6.45%	6.34%
<b>SHARES OUTSTANDING</b>							
Number of common shares outstanding	7,645,428	7,629,767	7,585,924	6,316,573	6,256,682	7,645,428	6,256,682
Average common shares outstanding - basic	7,281,343	7,274,617	6,687,448	5,935,948	5,904,446	6,801,330	5,890,216
Average common shares outstanding - diluted	7,432,670	7,410,062	6,821,245	6,116,306	6,101,778	6,952,758	6,062,482
<b>ASSET QUALITY</b>							
Allowance for loan losses (ALLL) to total loans	1.06%	1.11%	1.09%	1.08%	1.07%	1.06%	1.07%
ALLL to nonperforming loans	115.70%	10057.14%	9211.32%	407.43%	402.40%	115.70%	402.40%
Nonperforming assets to total assets	0.67%	0.01%	0.01%	0.15%	0.15%	0.67%	0.15%
Nonperforming loans to total loans	0.92%	0.01%	0.01%	0.27%	0.27%	0.92%	0.27%
Net charge-offs to total loans	0.00%	0.01%	0.00%	0.00%	0.25%	0.01%	0.25%
<b>AVERAGE BALANCES</b>							
Loans, net of deferred loan fees	\$1,450,014	\$1,357,090	\$1,261,255	\$1,213,353	\$1,152,641	\$1,321,177	\$1,052,779
Investment securities	459,057	505,849	487,535	436,427	287,915	472,371	222,204
Total assets	2,072,887	2,028,320	2,060,297	2,131,587	2,054,545	2,072,989	1,713,888
Deposits	1,883,640	1,819,008	1,888,494	1,947,208	1,866,704	1,884,233	1,532,883
Shareholders' equity	131,046	144,402	129,235	138,668	138,589	135,841	133,646
<b>AT PERIOD END</b>							
Loans, net of deferred loan fees	\$1,554,222	\$1,392,546	\$1,336,786	\$1,201,934	\$1,223,344	\$1,554,222	\$1,223,344
Investment securities	444,664	468,239	507,826	468,917	380,170	444,664	380,170
Total assets	2,133,268	1,983,822	2,010,256	2,110,091	2,162,478	2,133,268	2,162,478
Deposits	1,823,235	1,814,372	1,828,752	1,947,278	1,979,410	1,823,235	1,979,410
Shareholders' equity	137,538	126,483	138,611	121,282	137,100	137,538	137,100

**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**

**Avidbank Holdings, Inc.**

**Consolidated Balance Sheets (Unaudited)**

(\$000)

	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>	<u>December 31,</u> <u>2021</u>
<b><u>Assets</u></b>					
Cash and due from banks	\$ 17,435	\$ 23,766	\$ 50,907	\$ 47,091	\$ 29,616
Due from Federal Reserve Bank	29,853	13,476	35,913	320,336	463,727
Total cash and cash equivalents	47,288	37,242	86,820	367,427	493,343
Investment securities - available for sale	412,993	436,535	477,646	468,917	308,170
Investment securities - held to maturity	31,671	31,704	30,180	-	-
Total investment securities	444,664	468,239	507,826	468,917	380,170
Loans, net of deferred loan fees	1,554,222	1,392,546	1,336,786	1,201,934	1,223,344
Allowance for loan losses	(16,481)	(15,488)	(14,646)	(13,054)	(13,054)
Loans, net of allowance for loan losses	1,537,741	1,377,058	1,322,140	1,188,880	1,210,290
Bank owned life insurance	32,747	32,522	32,303	32,087	31,875
Premises and equipment, net	4,163	4,318	4,314	4,331	4,565
Accrued interest receivable & other assets	66,665	64,443	56,853	48,449	42,235
<b>Total assets</b>	<b>\$2,133,268</b>	<b>\$1,983,822</b>	<b>\$2,010,256</b>	<b>\$2,110,091</b>	<b>\$2,162,478</b>
<b><u>Liabilities and Shareholders' Equity</u></b>					
Deposits:					
Non-interest-bearing demand	\$ 765,079	\$ 804,383	\$ 838,666	\$ 952,035	\$ 993,156
Interest bearing checking	41,701	46,852	45,179	47,711	50,674
Money market and savings	948,731	890,836	848,748	812,701	845,718
Time	67,724	72,301	96,159	134,831	89,862
Total deposits	1,823,235	1,814,372	1,828,752	1,947,278	1,979,410
Subordinated debt, net	21,805	21,779	21,754	21,729	21,703
Federal Home Loan Bank and other borrowings	130,000	-	-	-	-
Accrued interest payable and other liabilities	20,690	21,188	21,139	19,802	24,265
<b>Total liabilities</b>	<b>1,995,730</b>	<b>1,857,339</b>	<b>1,871,645</b>	<b>1,988,809</b>	<b>2,025,378</b>
<b><u>Shareholders' Equity</u></b>					
Common stock	102,359	101,679	101,244	72,920	72,799
Retained earnings	93,824	85,409	78,364	73,149	68,801
Accumulated other comprehensive (loss)	(58,645)	(60,605)	(40,997)	(24,787)	(4,500)
<b>Total shareholders' equity</b>	<b>137,538</b>	<b>126,483</b>	<b>138,611</b>	<b>121,282</b>	<b>137,100</b>
<b>Total liabilities and shareholders' equity</b>	<b>\$2,133,268</b>	<b>\$1,983,822</b>	<b>\$2,010,256</b>	<b>\$2,110,091</b>	<b>\$2,162,478</b>

**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**

**Avidbank Holdings, Inc.**  
**Consolidated Statements of Income (Unaudited)**  
(\$000, except share and per share amounts)

	Three Months Ended			Year-to-Date	
	Dec. 31, 2022	Sept. 30, 2022	Dec. 31, 2021	Dec. 31, 2022	Dec. 31, 2021
Interest and fees on loans	\$ 23,160	\$ 18,853	\$ 13,927	\$ 71,813	\$ 50,823
Interest on investment securities	2,751	2,794	1,154	9,877	3,606
Other interest income	526	307	193	1,342	456
<b>Total interest income</b>	<b>26,437</b>	<b>21,954</b>	<b>15,274</b>	<b>83,032</b>	<b>54,885</b>
Deposit interest expense	4,269	1,948	655	7,513	2,618
Other interest expense	414	426	307	1,440	1,238
<b>Total interest expense</b>	<b>4,683</b>	<b>2,374</b>	<b>962</b>	<b>8,953</b>	<b>3,856</b>
<b>Net interest income</b>	<b>21,754</b>	<b>19,580</b>	<b>14,312</b>	<b>74,079</b>	<b>51,029</b>
Provision for loan losses	993	925	3,279	3,510	3,572
<b>Net interest income after provision for loan losses</b>	<b>20,761</b>	<b>18,655</b>	<b>11,033</b>	<b>70,569</b>	<b>47,457</b>
Service charges and bank fees	660	725	621	2,871	2,366
Income from bank owned life insurance	224	219	213	871	451
Gain/(loss) on sale of assets	–	–	(113)	–	(113)
Gain/(loss) on sale of securities	(404)	–	–	(404)	735
Warrant and success fee income	119	12	456	281	477
Other investment income	521	(1)	757	605	1,069
Other income	135	121	131	446	328
<b>Total non-interest income</b>	<b>1,255</b>	<b>1,076</b>	<b>2,065</b>	<b>4,670</b>	<b>5,313</b>
Compensation and benefit expenses	7,592	7,069	6,920	29,102	25,256
Occupancy and equipment expenses	911	946	924	3,652	4,078
Data processing	456	447	394	1,737	1,647
Regulatory assessments	221	421	384	1,816	1,226
Legal and professional fees	364	269	187	1,290	897
Other operating expenses	906	761	740	3,193	2,512
<b>Total non-interest expense</b>	<b>10,450</b>	<b>9,913</b>	<b>9,549</b>	<b>40,790</b>	<b>35,616</b>
<b>Income before income taxes</b>	<b>11,566</b>	<b>9,818</b>	<b>3,549</b>	<b>34,449</b>	<b>17,154</b>
Provision for income taxes	3,151	2,772	1,015	9,426	4,890
<b>Net income</b>	<b>\$ 8,415</b>	<b>\$ 7,046</b>	<b>\$ 2,534</b>	<b>\$ 25,023</b>	<b>\$ 12,264</b>
Basic earnings per common share	\$1.16	\$0.97	\$0.43	\$3.64	\$2.08
Diluted earnings per common share	\$1.13	\$0.95	\$0.42	\$3.55	\$2.02
Average common shares outstanding	7,281,343	7,274,617	5,904,446	6,801,330	5,890,216
Average common fully diluted shares	7,432,670	7,410,062	6,101,778	6,952,758	6,062,482

## Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release

### Avidbank Holdings, Inc.

#### Average Balance Sheets and Net Interest Margin Analysis

#### Selected Financial Information (Unaudited)

(\$000)

	Three months ended					
	December 31, 2022			September 30, 2022		
	Average Balance	Yields or Rates	Interest Income/Expense	Average Balance	Yields or Rates	Interest Income/Expense
<b>Assets</b>						
Interest earning assets:						
Loans (1)	\$1,451,724	6.33%	\$ 23,160	\$1,358,934	5.50%	\$ 18,853
Fed funds sold/interest bearing deposits	52,321	3.99%	526	52,626	2.31%	307
Investment securities						
Taxable investment securities	428,520	2.30%	2,481	475,086	2.11%	2,530
Non-taxable investment securities (2)	30,537	4.48%	345	30,763	4.31%	333
Total investment securities	459,057	2.44%	2,826	505,849	2.25%	2,863
<b>Total interest-earning assets</b>	<b>1,963,102</b>	<b>5.36%</b>	<b>26,512</b>	<b>1,917,409</b>	<b>4.56%</b>	<b>22,023</b>
Noninterest-earning assets:						
Cash and due from banks	25,494			34,984		
All other assets (3)	84,291			75,927		
<b>Total assets</b>	<b>\$2,072,887</b>			<b>\$2,028,320</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Deposits						
Demand	\$ 44,344	0.54%	\$ 60	\$ 46,145	0.33%	\$ 38
Money market and savings	953,665	1.68%	4,027	867,113	0.81%	1,768
Time	70,409	1.03%	182	85,703	0.66%	142
<b>Total interest-bearing deposits</b>	<b>1,068,418</b>	<b>1.59%</b>	<b>4,269</b>	<b>998,961</b>	<b>0.77%</b>	<b>1,948</b>
FHLB and other borrowings	11,772	3.84%	114	22,011	2.27%	126
Subordinated debt	21,792	5.46%	300	21,766	5.47%	300
<b>Total interest-bearing liabilities</b>	<b>1,101,982</b>	<b>1.69%</b>	<b>4,683</b>	<b>1,042,738</b>	<b>0.90%</b>	<b>2,374</b>
Noninterest-bearing liabilities:						
Demand deposits	815,222			820,047		
Accrued expenses and other liabilities	24,637			21,133		
Shareholders' equity	131,046			144,402		
<b>Total liabilities and shareholders' equity</b>	<b>\$2,072,887</b>			<b>\$2,028,320</b>		
Net interest income and margin (4)		4.41%	\$ 21,829		4.07%	\$ 19,649
Non-taxable equivalent net interest margin		4.40%			4.05%	
Cost of deposits	1,883,640	0.90%	4,269	1,819,008	0.42%	1,948

(1) Nonperforming loans are included in average loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes net amortization of deferred loan fees / (costs) of \$556 thousand and \$513 thousand, respectively.

(2) Interest income on tax-exempt securities has been increased to reflect comparable interest on taxable securities. The rate used was 21%, reflecting the statutory federal income tax rate.

(3) Average allowance for loan losses of \$15.6 million and \$14.7 million, respectively, is included as a contra asset.

(4) Net interest margin is net interest income divided by total interest-earning assets.

## Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release

### Avidbank Holdings, Inc.

#### Average Balance Sheets and Net Interest Margin Analysis

#### Selected Financial Information (Unaudited)

(\$000)

	Three months ended					
	December 31, 2022			December 31, 2021		
	Average Balance	Yields or Rates	Interest Income/ Expense	Average Balance	Yields or Rates	Interest Income/ Expense
<b>Assets</b>						
Interest earning assets:						
Loans (1)	\$1,451,724	6.33%	\$ 23,160	\$1,154,254	4.79%	\$ 13,927
Fed funds sold/interest bearing deposits	52,321	3.99%	526	515,430	0.15%	193
Investment securities						
Taxable investment securities	428,520	2.30%	2,481	287,915	1.59%	1,154
Non-taxable investment securities (2)	30,537	4.48%	345	-	0.00%	-
Total investment securities	459,057	2.44%	2,826	287,915	1.59%	1,154
<b>Total interest-earning assets</b>	<b>1,963,102</b>	<b>5.36%</b>	<b>26,512</b>	<b>1,957,599</b>	<b>3.10%</b>	<b>15,274</b>
Noninterest-earning assets:						
Cash and due from banks	25,494			35,750		
All other assets (3)	84,291			61,196		
<b>Total assets</b>	<b>\$2,072,887</b>			<b>\$2,054,545</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Deposits						
Demand	\$ 44,344	0.54%	\$ 60	\$ 50,045	0.16%	\$ 20
Money market and savings	953,665	1.68%	4,027	715,540	0.26%	465
Time	70,409	1.03%	182	99,550	0.68%	170
<b>Total interest-bearing deposits</b>	<b>1,068,418</b>	<b>1.59%</b>	<b>4,269</b>	<b>865,135</b>	<b>0.30%</b>	<b>655</b>
FHLB and other borrowings	11,772	3.84%	114	-	0.00%	-
Subordinated debt	21,792	5.46%	300	21,689	5.62%	307
<b>Total interest-bearing liabilities</b>	<b>1,101,982</b>	<b>1.69%</b>	<b>4,683</b>	<b>886,824</b>	<b>0.43%</b>	<b>962</b>
Noninterest-bearing liabilities:						
Demand deposits	815,222			1,001,568		
Accrued expenses and other liabilities	24,637			27,564		
Shareholders' equity	131,046			138,589		
<b>Total liabilities and shareholders' equity</b>	<b>\$2,072,887</b>			<b>\$2,054,545</b>		
Net interest income and margin (4)		4.41%	\$ 21,829		2.90%	\$ 14,312
Non-taxable equivalent net interest margin		4.40%			2.90%	
Cost of deposits	1,883,640	0.90%	4,269	1,866,703	0.14%	655

(1) Nonperforming loans are included in average loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes net amortization of deferred loan fees / (costs) of \$556 thousand and \$864 thousand, respectively.

(2) Interest income on tax-exempt securities has been increased to reflect comparable interest on taxable securities. The rate used was 21%, reflecting the statutory federal income tax rate.

(3) Average allowance for loan losses of \$15.6 million and \$13.8 million, respectively, is included as a contra asset.

(4) Net interest margin is net interest income divided by total interest-earning assets.



## Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release

### Avidbank Holdings, Inc.

#### Average Balance Sheets and Net Interest Margin Analysis

#### Selected Financial Information (Unaudited)

(\$000)

	Twelve months ended					
	December 31, 2022			December 31, 2021		
	Average Balance	Yields or Rates	Interest Income/ Expense	Average Balance	Yields or Rates	Interest Income/ Expense
<b>Assets</b>						
Interest earning assets:						
Loans (1)	\$1,322,969	5.43%	\$ 71,813	\$1,054,292	4.82%	\$ 50,823
Fed funds sold/interest bearing deposits	166,665	0.81%	1,342	358,324	0.13%	456
Investment securities						
Taxable investment securities	453,805	2.03%	9,230	222,204	1.62%	3,606
Non-taxable investment securities (2)	18,566	4.42%	820	–	0.00%	–
Total investment securities	472,371	2.13%	10,050	222,204	1.62%	3,606
<b>Total interest-earning assets</b>	<b>1,962,005</b>	<b>4.24%</b>	<b>83,205</b>	<b>1,634,820</b>	<b>3.36%</b>	<b>54,885</b>
Noninterest-earning assets:						
Cash and due from banks	37,221			30,455		
All other assets (3)	73,763			48,613		
<b>Total assets</b>	<b>\$2,072,989</b>			<b>\$1,713,888</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Deposits						
Demand	\$ 46,468	0.28%	\$ 129	\$ 38,084	0.17%	\$ 66
Money market and savings	867,419	0.77%	6,656	576,448	0.29%	1,668
Time including brokered	99,553	0.73%	728	120,514	0.73%	884
<b>Total interest-bearing deposits</b>	<b>1,013,440</b>	<b>0.74%</b>	<b>7,513</b>	<b>735,046</b>	<b>0.36%</b>	<b>2,618</b>
FHLB and other borrowings	8,515	2.81%	239	–	0.00%	–
Subordinated debt	21,698	5.54%	1,201	21,636	5.72%	1,238
<b>Total interest-bearing liabilities</b>	<b>1,043,653</b>	<b>0.86%</b>	<b>8,953</b>	<b>756,682</b>	<b>0.51%</b>	<b>3,856</b>
Noninterest-bearing liabilities:						
Demand deposits	870,793			797,837		
Accrued expenses and other liabilities	22,702			25,723		
Shareholders' equity	135,841			133,646		
<b>Total liabilities and shareholders' equity</b>	<b>\$2,072,989</b>			<b>\$1,713,888</b>		
Net interest income and margin (4)		3.78%	\$ 74,252		3.12%	\$ 51,029
Non-taxable equivalent net interest margin		3.78%			3.12%	
Cost of deposits	1,884,233	0.40%	7,513	1,532,883	0.17%	2,618

(1) Nonperforming loans are included in average loan balances. No adjustment has been made for these loans in the calculation of yields. Interest income on loans includes amortization of deferred loan fees / (costs) of \$2.2 million and \$2.7 million, respectively.

(2) Interest income on tax-exempt securities has been increased to reflect comparable interest on taxable securities. The rate used was 21%, reflecting the statutory federal income tax rate.

(3) Average allowance for loan losses of \$14.2 million and \$12.9 million, respectively, is included as a contra asset.

(4) Tax equivalent net interest income divided by total interest-earning assets.

**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**

**Avidbank Holdings, Inc.**

**Period End Loans (Unaudited)**

(\$000)

	<u>Dec. 31,</u> <u>2022</u>	<u>Sept. 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>	<u>Dec. 31</u> <u>2021</u>	<u>Current</u> <u>Quarter</u> <u>Change</u>	<u>Year over</u> <u>Year</u> <u>Change</u>
Commercial loans	\$ 700,022	\$ 566,105	\$ 558,908	\$ 481,522	\$ 517,747	\$ 133,917	\$ 182,275
Commercial real estate							
Multi-family	169,048	159,384	165,818	141,954	139,646	9,664	29,402
Owner Occupied	139,414	131,649	108,045	109,502	99,728	7,765	39,686
Non-Owner Occupied	303,660	288,478	280,397	258,365	258,507	15,182	45,153
Construction and land	227,869	234,157	209,941	195,388	190,887	(6,288)	36,982
Residential	<u>13,394</u>	<u>11,991</u>	<u>12,830</u>	<u>13,726</u>	<u>14,484</u>	<u>1,403</u>	<u>(1,090)</u>
Total real estate loans	853,385	825,659	777,031	718,935	703,252	27,726	150,133
Other loans	815	782	847	1,477	2,345	33	(1,530)
Total loans	<u>\$1,554,222</u>	<u>\$1,392,546</u>	<u>\$1,336,786</u>	<u>\$1,201,934</u>	<u>\$1,223,344</u>	<u>\$ 161,676</u>	<u>\$ 330,878</u>

**Avidbank Holdings, Inc. Fourth Quarter 2022 Financial Results Press Release**

**Avidbank Holdings, Inc.**  
**Credit Trends (Unaudited)**  
(\$000)

	<u>Dec. 31,</u> <u>2022</u>	<u>Sept. 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>	<u>Dec. 31,</u> <u>2021</u>
<u>Allowance for Loan Losses</u>					
Balance, beginning of quarter	\$15,488	\$14,646	\$13,054	\$13,054	\$12,775
Provision for loan losses, quarterly	993	925	1,592	–	3,279
Charge-offs, quarterly	–	(83)	–	–	(3,000)
Recoveries, quarterly	–	–	–	–	–
Balance, end of quarter	<u>\$16,481</u>	<u>\$15,488</u>	<u>\$14,646</u>	<u>\$13,054</u>	<u>\$13,054</u>

Nonperforming Assets

Loans accounted for on a non-accrual basis	\$14,245	\$ 154	\$ 159	\$ 3,204	\$ 3,244
Loans with principal or interest contractually past due 90 days or more and still accruing interest	–	–	–	–	–
Nonperforming loans	<u>14,245</u>	<u>154</u>	<u>159</u>	<u>3,204</u>	<u>3,244</u>
Other real estate owned	–	–	–	–	–
Nonperforming assets	<u>\$14,245</u>	<u>\$ 154</u>	<u>\$ 159</u>	<u>\$ 3,204</u>	<u>\$ 3,244</u>

Nonperforming Loans by Type:

Commercial	\$ 150	\$ 154	\$ 159	\$ 441	\$ 448
Commercial Real Estate Loans	–	–	–	2,763	2,796
Construction and Land	<u>14,095</u>	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total Nonperforming loans	<u>\$14,245</u>	<u>\$ 154</u>	<u>\$ 159</u>	<u>\$ 3,204</u>	<u>\$ 3,244</u>

Asset Quality Ratios

Allowance for loan losses (ALLL) to total loans	1.06%	1.11%	1.09%	1.08%	1.07%
ALLL to nonperforming loans	115.70%	10057.14%	9211.32%	407.43%	402.40%
Nonperforming assets to total assets	0.67%	0.01%	0.01%	0.15%	0.15%
Nonperforming loans to total loans	0.92%	0.01%	0.01%	0.27%	0.27%
Net quarterly charge-offs to total loans	0.00%	0.01%	0.00%	0.00%	0.25%