

FOR IMMEDIATE RELEASE

**PRESS RELEASE**

**Avidbank Holdings, Inc. Announces Net Income for the Third Quarter of 2022**

SAN JOSE, CA (Accesswire) – 10/19/22 – Avidbank Holdings, Inc. (OTC Pink: AVBH) announced income for the third quarter of 2022 of \$7.0 million, or \$0.95 per diluted share, compared to \$5.2 million, or \$0.76 per diluted share, for the second quarter of 2022 and \$3.6 million, or \$0.59 per diluted share, for the third quarter of 2021.

Third Quarter 2022 Financial Highlights

- Diluted earnings per share of \$0.95, an increase of \$0.19, or 100% annualized, compared to the second quarter of 2022, and increased \$0.36, or 61%, compared to the third quarter of 2021.
- Return on average assets improved to 1.38%, compared to 1.02% in the second quarter of 2022 and 0.80% in the third quarter of 2021.
- Return on average equity improved to 19.36%, compared to 16.18% in the second quarter of 2022 and 10.45% in the third quarter of 2021.
- Taxable equivalent net interest margin increased to 4.07% in the third quarter of 2022, compared to 3.62% in the second quarter of 2022 and 2.98% in the third quarter of 2021.
- Efficiency ratio improved to 48.00%, compared to 53.43% in the second quarter of 2022 and 61.91% in the third quarter of 2021.
- Loans increased \$56 million, or 17% annualized, from June 30, 2022 and increased \$319 million, or 30%, from September 30, 2021.
- Annualized net charge-offs to average loans totaled 0.02% and 0.01% for the third quarter and year-to-date 2022, respectively. Non-performing assets to total assets were 0.01% on September 30, 2022, remaining flat from June 30, 2022 and decreased from 0.18% on September 30, 2021.

“Our strong performance for 2022 continued in the third quarter with another quarter of solid loan growth along with expanding profitability metrics,” said Mark Mordell, Chairman and Chief Executive Officer. “Although overall deposit balances were down slightly in the third quarter, our growth in new deposits from new client acquisition was solid. Overall balances were down slightly in the third quarter as the strong growth in new deposits was offset by another quarter of elevated decreases in existing client balances due to the dynamic characteristics of many of our clients. We continue to be optimistic about the remainder of 2022 as our pipeline for new business is very encouraging along with the additional benefits we will see from further increases in the fed funds rate,” added Mr. Mordell.

Income Statement

Taxable equivalent net interest income totaled \$19.6 million for the third quarter of 2022, an increase of \$2.1 million, or 48% annualized, from the second quarter of 2022, and an increase of \$7.0 million, or 55%, from the third quarter of 2021. The net interest margin was 4.07% in the third quarter of 2022, an increase of 0.49% compared to the second quarter of 2022, and an increase of 1.09% compared to the third 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 and investment securities.

The yield on loans in the third quarter of 2022 was 5.50%, an increase of 54 basis points from the second quarter of 2022 and an increase of 66 basis points from the third quarter of 2021. The linked quarter increase was primarily due to increases in the Prime rate. Approximately 53% of loans are Prime-based floating rate loans.

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

The cost of deposits in the third quarter of 2022 was 0.42%, an increase of 28 basis points from the second quarter of 2022 and an increase of 25 basis points from the third quarter of 2021. The cost of interest-bearing deposits in the third quarter of 2022 was 0.77% compared to 0.26% in the second quarter of 2022 and 0.34% in the third quarter of 2021.

In the third quarter of 2022, we recorded a provision for loan losses of \$0.9 million, compared to \$1.6 million in the second quarter of 2022 and \$0.2 million in the third quarter of 2021. The third quarter provision was primarily attributable to the \$56 million increase in loan balances.

Non-interest income was \$1.1 million in the third quarter of 2022 compared to \$1.2 million in the second quarter of 2022 and \$1.0 million in the third quarter of 2021. Service charge income totaled \$643,000 in the third quarter of 2022, a decrease of \$38,000, or 22% annualized, compared to the second quarter of 2022 and an increase of \$91,000, or 16% from the third quarter of 2021.

Non-interest expense totaled \$9.9 million in the third quarter of 2022 compared to \$10.0 million in the second quarter of 2022 and \$8.5 million in the third quarter of 2021. This linked quarter decrease was primarily due to higher capitalized loan origination costs and a decrease in the FDIC regulatory assessment. The number of full-time equivalent employees on September 30, 2022 totaled 134 compared to 130 on June 30, 2022.

### Balance Sheet

Total assets were \$1.98 billion as of September 30, 2022, compared to \$2.01 billion on June 30, 2022 and \$1.83 billion at September 30, 2021. Cash and cash equivalents were \$37 million on September 30, 2022, compared to \$87 million on June 30, 2022 and \$413 million on September 30, 2021.

Period end loans on September 30, 2022 totaled \$1.39 billion, which represented an increase of \$56 million, or 17% annualized, from June 30, 2022, and an increase of \$319 million, or 30%, from \$1.07 billion at September 30, 2021. Quarterly average loans for the third quarter of 2022 increased \$96 million, or 30% annualized, from the second quarter of 2022 and \$330 million, or 32%, from the third quarter of 2021.

The allowance for loan losses on September 30, 2022 was \$15.5 million, representing an increase of \$0.8 million from June 30, 2022. The Allowance for Loan Losses to total loans was 1.11% on September 30, 2022, compared to 1.09% on June 30, 2022. Nonperforming loans to total loans was 0.01% on September 30, 2022 and June 30, 2022.

Period end deposits were \$1.81 billion on September 30, 2022 compared to \$1.83 billion at June 30, 2022 and an increase of \$167 million, or 10%, compared to \$1.65 billion at September 30, 2021. Quarterly average deposits for the third quarter of 2022 increased \$230 million, or 14%, compared to the third quarter of 2021 and decreased \$69 million, or 15% annualized, from the second quarter of 2022.

Noninterest bearing deposits represented 44.3% of total deposits on September 30, 2022, compared to 45.9% on June 30, 2022 and 53.0% at September 30, 2021. The quarterly average loan to deposit ratio was 74.6% in the third quarter of 2022 compared to 66.8% in the second quarter of 2022 and 64.6% in the third quarter of 2021.

Book value per share was \$16.58 on September 30, 2022, compared to \$18.27 on June 30, 2022, a decrease of \$1.69 primarily from an increase in the investment portfolio unrealized loss. Total shareholders' equity totaled \$126.5 million on September 30, 2022, a decrease of \$12.2 million compared to June 30, 2022. This decrease included an increase in retained earnings of \$7.0 million offset by an increase in accumulated other comprehensive loss of \$19.6 million.

### 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, real estate construction and commercial real estate lending. Avidbank provides a different approach to banking. We do what we say.*

**Avidbank Holdings, Inc. Third Quarter 2022 Financial Results Press Release**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. Third Quarter 2022 Financial Results Press Release**
**AVIDBANK HOLDINGS, INC.**
**Selected Financial Data (Unaudited)**

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

	2022			2021		For the nine months ended	
	Third Quarter	Second Quarter	First Quarter	Fourth Quarter	Third Quarter	September 30,	
						2022	2021
<b>INCOME AND PER SHARE HIGHLIGHTS</b>							
Net income	\$ 7,045	\$ 5,214	\$ 4,349	\$ 2,534	\$ 3,574	\$ 16,608	\$ 9,730
Basic earnings per share	0.97	0.78	0.73	0.43	0.60	2.48	1.65
Diluted earnings per share	0.95	0.76	0.71	0.42	0.59	2.42	1.61
Book value per share	16.58	18.27	19.20	21.91	21.55		
<b>PERFORMANCE MEASURES</b>							
Return on average assets	1.38%	1.02%	0.83%	0.49%	0.80%	1.07%	0.81%
Return on average equity	19.36%	16.18%	12.72%	7.25%	10.45%	16.15%	9.86%
Taxable equivalent net interest margin	4.07%	3.62%	3.05%	2.90%	2.98%	3.57%	3.22%
Efficiency ratio	48.00%	53.43%	63.72%	58.31%	61.91%	54.43%	65.22%
Average loans to average deposits	74.61%	66.88%	62.31%	61.75%	64.60%	67.81%	71.76%
<b>CAPITAL</b>							
Tier 1 leverage ratio	9.22%	8.72%	6.85%	6.89%	7.81%		
Common equity tier 1 capital ratio	10.24%	10.17%	9.09%	8.90%	9.94%		
Tier 1 risk-based capital ratio	10.24%	10.17%	9.09%	8.90%	9.94%		
Total risk-based capital ratio	12.31%	12.25%	11.28%	11.11%	12.44%		
Tangible common equity ratio	6.38%	6.90%	5.75%	6.34%	7.37%		
<b>SHARES OUTSTANDING</b>							
Number of common shares outstanding	7,629,767	7,585,924	6,316,573	6,256,682	6,255,752		
Average common shares outstanding - basic	7,274,617	6,687,448	5,935,948	5,904,446	5,898,208	6,639,567	5,885,421
Average common shares outstanding - diluted	7,410,062	6,821,245	6,116,306	6,101,778	6,072,085	6,790,554	6,048,748
<b>ASSET QUALITY</b>							
Allowance for loan losses (ALLL) to total loans	1.11%	1.09%	1.08%	1.07%	1.19%		
ALLL to nonperforming loans	10057.14%	9211.32%	407.43%	402.40%	388.88%		
Nonperforming assets to total assets	0.01%	0.01%	0.15%	0.15%	0.18%		
Nonperforming loans to total loans	0.01%	0.01%	0.27%	0.27%	0.31%		
Net quarterly charge-offs to total loans	0.01%	0.00%	0.00%	0.25%	0.00%		
<b>AVERAGE BALANCES</b>							
Loans, net of deferred loan fees	\$1,357,090	\$1,261,255	\$1,213,353	\$1,152,641	\$1,026,812	\$1,277,760	\$1,019,253
Investment securities	505,849	487,535	436,427	287,915	231,526	476,858	200,060
Total assets	2,028,320	2,060,297	2,131,587	2,054,545	1,771,292	2,073,023	1,599,088
Deposits	1,819,008	1,888,494	1,947,208	1,866,704	1,589,384	1,884,434	1,420,386
Shareholders' equity	144,402	129,235	138,668	138,589	135,721	137,456	131,980
<b>AT PERIOD END</b>							
Loans, net of deferred loan fees	\$1,392,546	\$1,336,786	\$1,201,934	\$1,223,344	\$1,073,132		
Investment securities	468,239	507,826	468,917	380,170	276,670		
Total assets	1,983,822	2,010,256	2,110,091	2,162,478	1,828,021		
Deposits	1,814,372	1,828,752	1,947,278	1,979,410	1,647,613		
Shareholders' equity	126,483	138,611	121,282	137,100	134,797		

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

**Avidbank Holdings, Inc.**  
**Consolidated Balance Sheets (Unaudited)**  
(\$000)

	September 30, 2022	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021
<b>Assets</b>					
Cash and due from banks	\$ 23,766	\$ 50,907	\$ 47,091	\$ 29,616	\$ 34,864
Due from Federal Reserve Bank	13,476	35,913	320,336	463,727	378,380
Total cash and cash equivalents	37,242	86,820	367,427	493,343	413,244
Investment securities - available for sale	436,535	477,646	468,917	308,170	276,670
Investment securities - held to maturity	31,704	30,180	-	-	-
Total investment securities	468,239	507,826	468,917	380,170	276,670
Loans, net of deferred loan fees	1,392,546	1,336,786	1,201,934	1,223,344	1,073,132
Allowance for loan losses	(15,488)	(14,646)	(13,054)	(13,054)	(12,775)
Loans, net of allowance for loan losses	1,377,058	1,322,140	1,188,880	1,210,290	1,060,357
Bank owned life insurance	32,522	32,303	32,087	31,875	31,663
Premises and equipment, net	4,318	4,314	4,331	4,565	4,913
Accrued interest receivable & other assets	64,443	56,853	48,449	42,235	41,174
Total assets	<u>\$1,983,822</u>	<u>\$2,010,256</u>	<u>\$2,110,091</u>	<u>\$2,162,478</u>	<u>\$1,828,021</u>
<b>Liabilities</b>					
Non-interest-bearing demand deposits	\$ 804,383	\$ 838,666	\$ 952,035	\$ 993,156	\$ 872,972
Interest bearing transaction accounts	46,852	45,179	47,711	50,674	49,722
Money market and savings accounts	890,836	848,748	812,701	845,718	614,992
Time deposits	72,301	96,159	134,831	89,862	109,927
Total deposits	1,814,372	1,828,752	1,947,278	1,979,410	1,647,613
Subordinated debt, net	21,779	21,754	21,729	21,703	21,671
Other liabilities	21,188	21,139	19,802	24,265	23,940
Total liabilities	1,857,339	1,871,645	1,988,809	2,025,378	1,693,224
<b>Shareholders' equity</b>					
Common stock/additional paid-in capital	101,679	101,244	72,920	72,799	72,124
Retained earnings	85,409	78,364	73,149	68,801	66,267
Accumulated other comprehensive (loss)	(60,605)	(40,997)	(24,787)	(4,500)	(3,594)
Total shareholders' equity	126,483	138,611	121,282	137,100	134,797
Total liabilities and shareholders' equity	<u>\$1,983,822</u>	<u>\$2,010,256</u>	<u>\$2,110,091</u>	<u>\$2,162,478</u>	<u>\$1,828,021</u>

**Avidbank Holdings, Inc. Third 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	
	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021
Interest and fees on loans	\$ 18,852	\$ 15,639	\$ 12,533	\$ 48,653	\$ 36,896
Interest on investment securities	2,794	2,477	946	7,126	2,453
Other interest income	307	356	156	816	263
Total interest income	21,953	18,472	13,635	56,595	39,612
Deposit interest expense	1,948	657	671	3,244	1,963
Other interest expense	426	300	310	1,026	931
Total interest expense	2,374	957	981	4,270	2,894
Net interest income	19,579	17,515	12,654	52,325	36,718
Provision for loan losses	925	1,592	217	2,517	293
Net interest income after provision for loan losses	18,654	15,923	12,437	49,808	36,425
Service charges and bank fees	725	761	621	2,211	1,695
Income from bank owned life insurance	219	215	103	647	238
Gain/(loss) on sale of assets	–	–	–	–	734
Warrant income	12	64	–	162	22
Other income	120	187	273	395	558
Total non-interest income	1,076	1,227	997	3,415	3,247
Compensation and benefit expenses	7,069	7,129	5,860	21,510	18,336
Occupancy and equipment expenses	946	901	1,066	2,741	3,154
Data processing	447	423	413	1,281	1,254
Regulatory assessments	421	509	284	1,595	842
Professional fees	217	192	152	604	483
Other operating expenses	813	859	677	2,609	1,997
Total non-interest expense	9,913	10,013	8,452	30,340	26,066
Income before income taxes	9,817	7,137	4,982	22,883	13,606
Provision for income taxes	2,772	1,923	1,408	6,275	3,876
Net income	\$ 7,045	\$ 5,214	\$ 3,574	\$ 16,608	\$ 9,730
Basic earnings per common share	\$0.97	\$0.78	\$0.60	\$2.48	\$1.65
Diluted earnings per common share	\$0.95	\$0.76	\$0.59	\$2.43	\$1.61
Average common shares outstanding	7,274,617	6,687,448	5,898,208	6,639,567	5,885,421
Average common fully diluted shares	7,410,062	6,821,245	6,072,085	6,790,554	6,048,748

**Avidbank Holdings, Inc. Third 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					
	September 30, 2022			June 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)	\$1,358,934	5.50%	\$ 18,852	\$1,263,071	4.97%	\$ 15,638
Fed funds sold	52,626	2.31%	307	191,861	0.74%	353
Investment securities						
Taxable investment securities	475,086	2.11%	2,530	475,039	2.00%	2,364
Non-taxable investment securities (2)	30,763	4.31%	334	12,496	4.59%	143
Total investment securities	505,849	2.25%	2,864	487,535	2.06%	2,507
<b>Total interest-earning assets</b>	<b>1,917,409</b>	<b>4.56%</b>	<b>22,023</b>	<b>1,942,467</b>	<b>3.82%</b>	<b>18,498</b>
Noninterest-earning assets:						
Cash and due from banks	34,984			46,334		
All other assets (3)	75,927			71,496		
<b>Total assets</b>	<b>\$2,028,320</b>			<b>\$2,060,297</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Deposits						
Demand	\$ 46,145	0.33%	\$ 38	\$ 46,242	0.13%	\$ 15
Money market and savings	867,113	0.81%	1,768	835,058	0.21%	440
Time	85,703	0.66%	142	121,923	0.66%	202
<b>Total interest-bearing deposits</b>	<b>998,961</b>	<b>0.77%</b>	<b>1,948</b>	<b>1,003,223</b>	<b>0.26%</b>	<b>657</b>
FHLB Advances	22,011	2.27%	126	–	0.00%	–
Subordinated debt	21,766	5.47%	300	21,518	5.59%	300
<b>Total interest-bearing liabilities</b>	<b>1,042,738</b>	<b>0.90%</b>	<b>2,374</b>	<b>1,024,741</b>	<b>0.37%</b>	<b>957</b>
Noninterest-bearing liabilities:						
Demand deposits	820,047			885,271		
Accrued expenses and other liabilities	21,133			21,050		
Shareholders' equity	144,402			129,235		
<b>Total liabilities and shareholders' equity</b>	<b>\$2,028,320</b>			<b>\$2,060,297</b>		
Net interest income and margin (4)		<u>4.07%</u>	<u>\$ 19,649</u>		<u>3.62%</u>	<u>\$ 17,541</u>
Non-taxable equivalent net interest margin		4.05%			3.62%	
Cost of deposits	1,819,008	0.42%	1,948	1,888,494	0.14%	657

(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 \$513 thousand and \$460 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) Allowance for loan losses of \$14.7 million and \$13.2 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. Third 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					
	September 30, 2022			September 30, 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)	\$1,358,934	5.50%	\$ 18,852	\$1,028,098	4.84%	\$ 12,533
Fed funds sold	52,626	2.31%	307	425,568	0.15%	156
Investment securities						
Taxable investment securities	475,086	2.11%	2,530	231,526	1.62%	946
Non-taxable investment securities (2)	30,763	4.31%	334	–	0.00%	–
Total investment securities	505,849	2.25%	2,864	231,526	1.62%	946
<b>Total interest-earning assets</b>	<b>1,917,409</b>	<b>4.56%</b>	<b>22,023</b>	<b>1,685,192</b>	<b>3.21%</b>	<b>13,635</b>
Noninterest-earning assets:						
Cash and due from banks	34,984			38,286		
All other assets (3)	75,927			47,814		
<b>Total assets</b>	<b>\$2,028,320</b>			<b>\$1,771,292</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Deposits						
Demand	\$ 46,145	0.33%	\$ 38	\$ 47,400	0.16%	\$ 19
Money market and savings	867,113	0.81%	1,768	622,844	0.29%	452
Time	85,703	0.66%	142	116,806	0.68%	200
<b>Total interest-bearing deposits</b>	<b>998,961</b>	<b>0.77%</b>	<b>1,948</b>	<b>787,050</b>	<b>0.34%</b>	<b>671</b>
FHLB Advances	22,011	2.27%	126	–	0.00%	–
Subordinated debt	21,766	5.47%	300	21,653	5.68%	310
<b>Total interest-bearing liabilities</b>	<b>1,042,738</b>	<b>0.90%</b>	<b>2,374</b>	<b>808,703</b>	<b>0.48%</b>	<b>981</b>
Noninterest-bearing liabilities:						
Demand deposits	820,047			802,334		
Accrued expenses and other liabilities	21,133			24,534		
Shareholders' equity	144,402			135,721		
<b>Total liabilities and shareholders' equity</b>	<b>\$2,028,320</b>			<b>\$1,771,292</b>		
Net interest income and margin (4)		<u>4.07%</u>	<u>\$ 19,649</u>		<u>2.98%</u>	<u>\$ 12,654</u>
Non-taxable equivalent net interest margin		4.05%			<u>2.98%</u>	
Cost of deposits	1,819,008	0.42%	1,948	1,589,384	0.17%	671

(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 \$513 thousand and \$798 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) Allowance for loan losses of \$14.7 million and \$12.6 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. Third Quarter 2022 Financial Results Press Release**

**Avidbank Holdings, Inc.**

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

**Selected Financial Information (Unaudited)**

(\$000)

	Nine months ended					
	September 30, 2022			September 30, 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)	\$1,279,579	5.08%	\$ 48,653	\$1,020,605	4.83%	\$ 36,896
Fed funds sold	205,199	0.53%	816	305,379	0.12%	263
Investment securities						
Taxable investment securities	462,326	1.95%	6,749	200,060	1.64%	2,453
Non-taxable investment securities (2)	14,532	4.39%	477	—	0.00%	—
Total investment securities	476,858	2.03%	7,226	200,060	1.64%	2,453
<b>Total interest-earning assets</b>	<b>1,961,636</b>	<b>3.86%</b>	<b>56,695</b>	<b>1,526,044</b>	<b>3.47%</b>	<b>39,612</b>
Noninterest-earning assets:						
Cash and due from banks	41,173			28,671		
All other assets (3)	70,214			44,373		
<b>Total assets</b>	<b>\$2,073,023</b>			<b>\$1,599,088</b>		
<b>Liabilities and Shareholders' Equity</b>						
Interest-bearing liabilities:						
Deposits						
Demand	\$ 47,184	0.20%	\$ 69	\$ 34,052	0.18%	\$ 46
Money market and savings	838,354	0.42%	2,630	529,575	0.30%	1,204
Time	109,375	0.67%	545	127,579	0.75%	713
<b>Total interest-bearing deposits</b>	<b>994,913</b>	<b>0.44%</b>	<b>3,244</b>	<b>691,206</b>	<b>0.38%</b>	<b>1,963</b>
FHLB Advances	7,418	2.25%	125	—	0.00%	—
Subordinated debt	21,666	5.56%	901	21,618	5.76%	931
<b>Total interest-bearing liabilities</b>	<b>1,023,997</b>	<b>0.56%</b>	<b>4,270</b>	<b>712,824</b>	<b>0.54%</b>	<b>2,894</b>
Noninterest-bearing liabilities:						
Demand deposits	889,521			729,180		
Accrued expenses and other liabilities	22,049			25,104		
Shareholders' equity	137,456			131,980		
<b>Total liabilities and shareholders' equity</b>	<b>\$2,073,023</b>			<b>\$1,599,088</b>		
Net interest income and margin (4)		<u>3.57%</u>	<u>\$ 52,425</u>		<u>3.22%</u>	<u>\$ 36,718</u>
Non-taxable equivalent net interest margin		3.57%			3.22%	
Cost of deposits	1,884,434	0.23%	3,244	1,420,386	0.18%	1,963

(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 \$1.6 and \$1.9 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) Allowance for loan losses of \$13.7 million and \$12.6 million, respectively, is included as a contra asset.

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

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

**Avidbank Holdings, Inc.**  
**Period End Loans (Unaudited)**  
(\$000)

	Sept. 30, 2022	June 30, 2022	March 31, 2022	Dec. 31, 2021	Sept. 30, 2021	Current Quarter Change	Year over Year Change
Commercial loans	\$ 566,105	\$ 558,908	\$ 481,522	\$ 517,747	\$ 415,986	\$ 7,197	\$ 150,119
Real Estate							
Commercial real estate							
Multi-family	159,384	165,818	141,954	139,646	128,672	(6,434)	30,712
CRE							
Owner Occupied	131,649	108,045	109,502	99,728	89,832	23,604	41,817
Non-Owner Occupied	288,478	280,397	258,365	258,507	239,272	8,081	49,206
Construction and land	234,157	209,941	195,388	190,887	182,556	24,216	51,601
Residential	11,991	12,830	13,726	14,484	14,800	(839)	(2,809)
Total real estate loans	825,659	777,031	718,935	703,252	655,132	48,628	170,527
Other loans	782	847	1,477	2,345	2,014	(65)	(1,232)
Total loans	<u>\$1,392,546</u>	<u>\$1,336,786</u>	<u>\$1,201,934</u>	<u>\$1,223,344</u>	<u>\$1,073,132</u>	<u>\$ 55,760</u>	<u>\$ 319,414</u>

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

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

	<u>9/30/22</u>	<u>6/30/22</u>	<u>3/31/22</u>	<u>12/31/21</u>	<u>9/30/21</u>
<u>Allowance for Loan Losses</u>					
Balance, beginning of quarter	\$ 14,646	\$ 13,054	\$ 13,054	\$ 12,775	\$ 12,558
Provision for loan losses, quarterly	925	1,592	–	3,279	217
Charge-offs, quarterly	(83)	–	–	(3,000)	–
Recoveries, quarterly	–	–	–	–	–
Balance, end of quarter	<u>\$ 15,488</u>	<u>\$ 14,646</u>	<u>\$ 13,054</u>	<u>\$ 13,054</u>	<u>\$ 12,775</u>

Nonperforming Assets

Loans accounted for on a non-accrual basis	\$ 154	\$ 159	\$ 3,204	\$ 3,244	\$ 3,285
Loans with principal or interest contractually past due 90 days or more and still accruing interest	–	–	–	–	–
Nonperforming loans	154	159	3,204	3,244	3,285
Other real estate owned	–	–	–	–	–
Nonperforming assets	<u>\$ 154</u>	<u>\$ 159</u>	<u>\$ 3,204</u>	<u>\$ 3,244</u>	<u>\$ 3,285</u>
Loans restructured and in compliance with modified terms	–	–	–	–	–
Nonperforming assets & restructured loans	<u>\$ 154</u>	<u>\$ 159</u>	<u>\$ 3,204</u>	<u>\$ 3,244</u>	<u>\$ 3,285</u>

Nonperforming Loans by Type:

Commercial	\$ 154	\$ 159	\$ 441	\$ 448	\$ 456
Commercial Real Estate Loans	–	–	2,763	2,796	2,829
Total Nonperforming loans	<u>\$ 154</u>	<u>\$ 159</u>	<u>\$ 3,204</u>	<u>\$ 3,244</u>	<u>\$ 3,285</u>

Asset Quality Ratios

Allowance for loan losses (ALLL) to total loans	1.11%	1.09%	1.08%	1.07%	1.19%
ALLL to nonperforming loans	10057.14%	9211.32%	407.43%	402.40%	388.89%
Nonperforming assets to total assets	0.01%	0.01%	0.15%	0.00%	0.18%
Nonperforming loans to total loans	0.01%	0.01%	0.27%	0.27%	0.31%
Net quarterly charge-offs to total loans	0.01%	0.00%	0.00%	0.25%	0.00%