

## CAPITAL MARKETS ANNOUNCEMENT

**Avidbank Holdings, Inc. (OTC Pink: AVBH) Closes Private Placement of \$12.0 Million of Subordinated Notes due 2025**

Sandler O'Neill + Partners, L.P. served as the sole placement agent for this offering.

This transaction is the 33<sup>rd</sup> subordinated note or senior note transaction for a community bank or bank holding company since January 1, 2014 in which Sandler O'Neill acted as a placement agent, sole underwriter or book-runner, more than any other investment bank and approaching half of all the deals done during that period.<sup>1</sup>

**About the Offering:**

PALO ALTO, CA – (Business Wire) – 11/18/15 – Avidbank Holdings, Inc. ("the Company") (OTC Pink: 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.

*This announcement is for informational purposes only and does not constitute an offer to sell or the solicitation of an offer to buy securities.*

**About the Company:**

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.

(1) Note: Includes nationwide subordinated debt and senior note offerings since 1/1/2014 that involved one or more book managers or placement agents for banks or bank holding companies with less than \$25bn in assets; excludes deals that were not reported and deals where no underwriter or placement agent was reported; Source: SNL Financial

(2) Financial data is not pro forma for the offering

November 12, 2015

6.875% Fixed-to-Floating  
Rate Subordinated Notes  
due 2025

**\$12.0 Million**

**Avidbank**  
Holdings, Inc.

Sole Placement Agent  
**SANDLER O'NEILL + PARTNERS**

Company Financial Highlights (as of 9/30/2015)<sup>2</sup>

(\$ in thousands)

Total Assets	\$576,749
Net Loans	\$419,830
Total Deposits	\$491,290
Total Equity	\$54,267

Bank Level Capital Ratios (as of 9/30/15)<sup>2</sup>

Tier 1 Leverage Ratio	9.52%
Tier 1 Risk-Based Capital Ratio	9.85%
Total Risk-Based Capital Ratio	10.90%

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