

CAPITAL MARKETS ANNOUNCEMENT**Avidbank Holdings, Inc. (OTCBB: AVBH; Palo Alto, CA) Announces Successful Completion of a \$20 Million Private Offering of Common Shares**

Avidbank Holdings, Inc., which has grown loans at a compound annual rate of 20.2% for the 5-year period ending March 31, 2017, intends to use the net proceeds from the offering for general corporate purposes, including the support of additional growth.

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

About the Offering:

PALO ALTO, Calif.--Avidbank Holdings, Inc. (OTC Pink: AVBH), the parent company of Avidbank, today reported the successful completion of a \$20 million private offering of common shares at a purchase price of \$19.00 per share.

Mark D. Mordell, Chairman and CEO of Avidbank Holdings, Inc. stated, "We believe the successful completion of this offering is a significant step forward for our Company, providing the capital we need to continue our growth."

"I want to thank our existing investors who participated in the offering and welcome our new investors," Mr. Mordell added. "This support, along with the continued commitment and investment by our Board of Directors and company management, is a great foundation for execution of our strategic plan. I appreciate the confidence expressed in the future of our company and the Avidbank team."

About the Company:

Avidbank Holdings, Inc. (OTC Pink: AVBH), headquartered in Palo Alto, California, offers innovative financial solutions and services. We specialize in commercial & industrial lending, technology and asset-based lending, specialty finance, real estate construction and commercial real estate lending. Avidbank provides a different approach to banking. We do what we say.

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

This transaction represents the 133rd public offering or private placement of common stock for a bank or thrift since January 1, 2012 for which Sandler O'Neill acted as book-runner, co-manager or placement agent—more than any other investment bank during that period. These transactions have raised approximately \$21.9 billion for our clients.¹

1) Source: SNL Financial

July 13, 2017

Private Placement of
Common Stock**\$20.0 Million****Avidbank**
Holdings, Inc.

Sole Placement Agent

SANDLER O'NEILL + PARTNERS**Financial Highlights as of March 31, 2017¹***(Dollars in thousands)*

Total Assets	\$ 701,858
Net Loans	549,978
Total Deposits	592,680
Total Equity	65,055
Tang. Common Equity/ Tang. Assets (%)	9.27
LTM ROAA (%)	1.16
LTM ROAE (%)	12.1

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