



AMERICAN RIVIERA
BANK

AMERICAN RIVIERA BANK

Environmental Social & Governance

REPORT 2022



PRESIDENT'S MESSAGE



Jeff DeVine

“True community banking

has long been our mission, our message, and our purpose. Community can be neighbors throughout the city, county, or Central Coast. It can also be global as it represents fellowship and aligned interests and goals. We demonstrate our commitment to community through our relationships, products, services, and outreach. Through this report, we share our efforts on the Bank’s environmental, social, and governance goals and our progress to-date to create a positive impact on our community, and the people we serve.

Identifying, mapping out, and communicating a long-term strategy that mirrors our corporate purpose provides many long-term benefits. Studies have shown that people are selecting employers with belief systems that align with their own and look for corporations that don’t just talk the talk but walk the walk. Clients want to know they can trust their bank to employ sound governance practices to keep their money, and their personal information, private and safe. Investors are increasingly considering ESG issues to help manage investment risks. To that end, we actively engage each of our stakeholders to ensure our corporate efforts are consistent with what matters most to them. Our employees don’t just live our core values, they helped to define them, and it is through the longevity and expertise of our amazing team that we can continue to perform at higher levels while maintaining the trust and loyalty of our clients.

In the following pages, we describe our plans, efforts, and measurements of the Bank’s societal impact. This report is just one way we will communicate our progress. We will continually assess programs and goals to enhance our ESG commitment. We also have executives who are championing many supporting initiatives and developing more frequent communication to share benchmarks and progress. We know that our current efforts are only the beginning of a long-term and dedicated plan to make an impact.”



CORPORATE PROFILE



American Riviera Bank was recently recognized for Strong Financial Performance by the Findley Reports for the 11th Consecutive Year

*unaudited company information as of 3/31/22

**BSB call report for the quarter ended 12/31/2015, which is the quarter-end prior to acquisition

100% fo American Riviera Bancorp formed February 2022



OUR ESG COMMITMENT

Every day, in every way, we embody the spirit of true community banking.

In this report, you will learn about our ESG efforts and the progress we have made to date. Our actions are part of an ongoing commitment to align our values with our business operations and illustrate how our actions are guided by our mission. We believe in community—from our local community to our impact on our global community. Corporate responsibility is something we take very seriously; and through open dialogues, transparency, and communications we can create meaningful impact and change.



ARB Customer **Sara Peterson**
Scout Coffee



2022 REPORT



ENVIRONMENTAL



SOCIAL



GOVERNANCE



ENVIRONMENTAL RESPONSIBILITY



“Conservation isn’t just good for the environment, it also makes good business sense. Over the past 18 months, we’ve been successful in reducing our energy consumption and e-waste through several key strategic initiatives supporting our commitment to efficiency and green business practices.”

Paul Abramson

Executive Vice President, Chief Technology Officer



ENVIRONMENTAL FOCUS

Developing products and pathways that allow both clients and staff to adopt a more sustainable banking experience is at the forefront of our environmental commitment. To date, we have enhanced our digital processes, optimizing online and mobile banking experiences and providing educational outreach to inform clients of the benefits of sustainable financing. We continue to reduce our reliance on natural resources through more efficient computing and a reduction in paper and non-compostable products.

Company Focus:

*Paper & Waste
Management*

Recycling

*Sustainable
Banking*

*Energy
Efficiency*

ARB Customer TBD
Need Name



WHERE WE ARE & WHERE WE ARE GOING

Focus	Goals	Progress to-date
Sustainable Banking	Establish goals for financing and supporting sustainable and environmentally focused businesses and causes	Developing metrics and internal reports to track the impact of loans, investments, and donations in support of environmental initiatives
Recycling	Increase the amount of recycled materials	<ul style="list-style-type: none"> Increased the opportunities for employees to responsibly dispose of e-waste through a new recycling program Recycled 8 tons of paper Over half of ARB employees participated in the sustainable future campaign
Reduce Non Compostable Supplies	100% compostable break room materials	Identified suppliers for green break room supplies
Energy Efficient Facilities	Replace 75-100% of all lighting with energy efficient LED lights	50% of all lighting has been replaced with LED lighting
Reduce Carbon Footprint Through Technology Initiatives	<ul style="list-style-type: none"> Replace decommissioned equipment with energy efficient alternatives Replace 100% of all in-branch hardware with energy efficient thin clients Double the useful life of existing hardware to reduce e-waste and new purchases 	<ul style="list-style-type: none"> Redesigned technology infrastructure in all branches to eliminate the need for servers and other high-power consumption devices, while also reducing cooling requirements and improving security Replaced 10% of all hardware with low-power thin clients Extended average useful life of equipment past 3 years through thin client software and virtual desktops

Replaced 10% of all hardware with low-power thin clients (shown right)





GREEN INITIATIVES



“When we started the scanning project in 2014, we were using paper loan files to originate our loans at American Riviera Bank. I was honored to be asked to be a part of the team to get our loans scanned and organized for easy searching. When COVID hit, we took it even further by developing paperless processes for things like loan documentation requests, requests to book loans, as well as daily balancing processes and monthly certifications. We’ve now eliminated the need for paper and we’re able to ‘move’ files between our teams anywhere and anytime from Montecito to Paso Robles. It has been an amazing collaborative effort between so many at the bank, and I really appreciate how employees are asked for their input as changes like these are made.”

Christina Figueroa Senior Loan Service Specialist

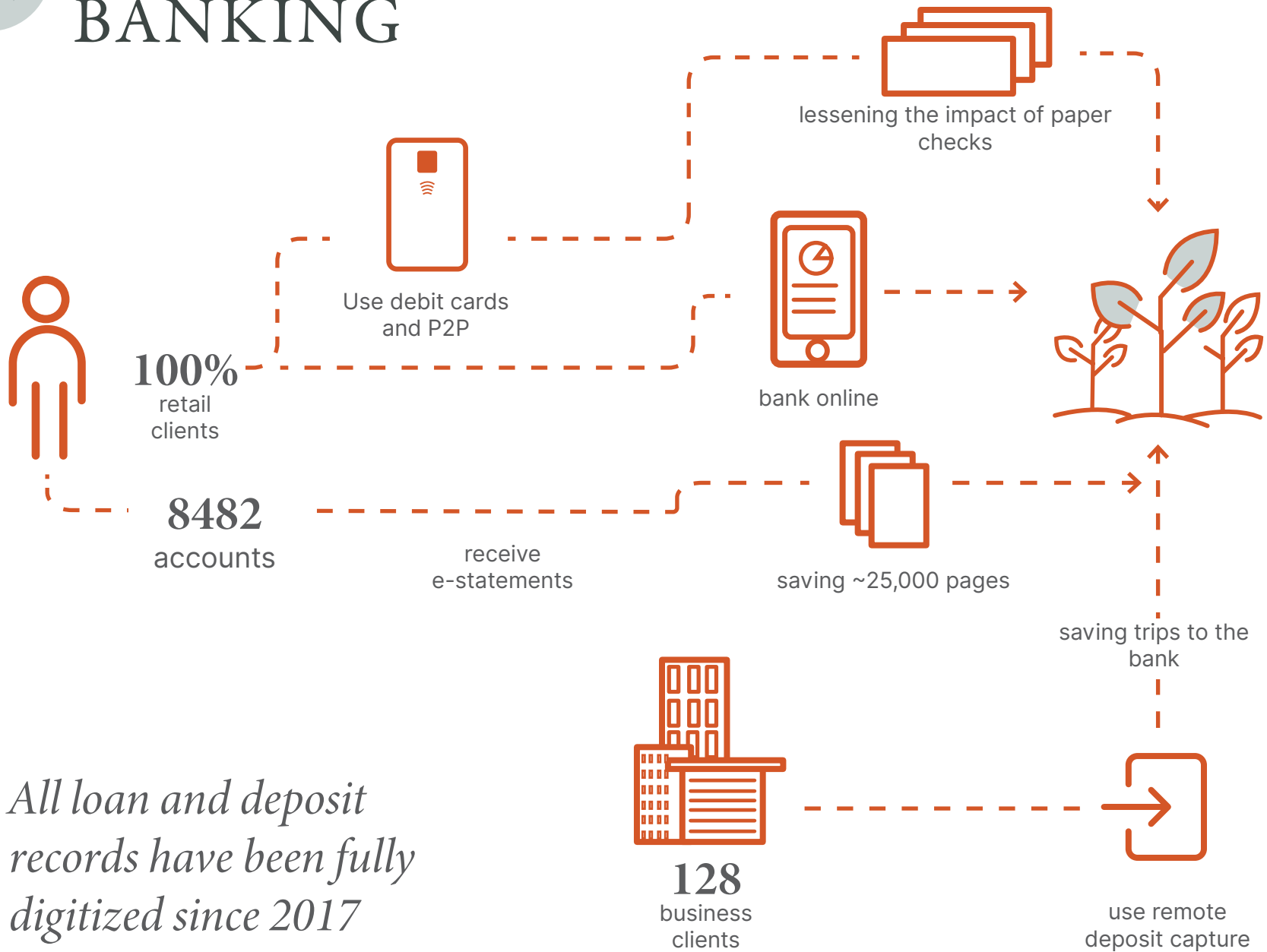


“I initially ran the online banking function solo when the Bank first opened its doors in 2006. In 2012 we added another employee to meet increasing client demand with the launch of new services, like mobile deposit. Since that time, we’ve added even more services such as consumer wires, business mobile and remote deposit capture, Apple Watch and Apple/Google/Samsung Pay. We now have a team of four in our Digital Banking Department, and we’re actively recruiting for one more team member to support the needs of our corporate clients. Throughout the pandemic, we’ve worked hard to make banking easier for our clients, whether in the branch visiting us in person, at home on their computers, or outdoors on their devices!”

Kylieen Wisham Vice President, Digital Banking Manager



GREEN BANKING



All loan and deposit records have been fully digitized since 2017



ENVIRONMENTAL

American Riviera Bank is proud to bank the Land Conservancy of San Luis Obispo County, who works cooperatively with both landowners and government agencies to find positive, mutually beneficial solutions to environmental issues. Their goals are to help prevent poorly planned development, protect drinking water sources, restore wildlife habitat and promote family farmlands and ranches. Since 1984, the Land Conservancy of San Luis Obispo has permanently conserved over 24,000 acres of land in San Luis Obispo County.

ARB was honored to provide financing to finish construction on the Octagon Barn Center, a rare and iconic landmark unique to San Luis Obispo County. The Octagon Barn was on the verge of collapse when the Land Conservancy of San Luis Obispo County stepped in to save the building and revitalize the site for community benefit. Today, thanks to many dedicated volunteers and generous donors, restoration is complete and the center is now ready to host visitors.



“We knew that to finish out the Octagon Barn Center project, we would need help from a local bank. American Riviera stepped right up to help us get the critical financing we needed to finish construction and open the Octagon Barn Center for our community.”

Kaila Dettman The Land Conservancy of SLO County



ENVIRONMENTAL INITIATIVES



25%
discount on loans to
finance green building



>50%
of our employees
participated in
Sustainable Future



50%
of our locations use
LED lights



8 tons
16,200 lbs.
of paper recycled



136
trees



24,320 gal
oil



32,000 kw
energy



56,000 gal
water



24 cu yds
landfill space



SOCIAL RESPONSIBILITY



“Our commitment to the team, the community, and our clients doesn’t end when the working day does. We’re like family at ARB, and we pride ourselves in being there whenever there’s a need, 24-7. We mean it when we say, ‘You can bank on us!’”

Joanne Funari

Executive Vice President, Chief Operating Officer



SOCIAL RESPONSIBILITY FOCUS

Corporate social responsibility is at the heart of our mission and our commitment to community. Collectively, as a company, we have shared values that empower our efforts and help us make transformative change. Volunteerism, access to capital, pandemic response, and community support are all part of this social commitment. Our human capital is an equally important investment and we prioritize inclusion and diversity in all areas.

Company Focus:

*Employee Support
& Development*

*Diversity, Inclusion
& Fair Pay*

*Charitable
Contributions
& Community
Development*

*Cybersecurity
& Customer
Privacy*



ARB Customer **TBD**
Need Name



WHERE WE ARE & WHERE WE ARE GOING

Focus	Goals	Progress to-date
Nonprofit Support	<p>Support local and nonprofit organizations dedicated to small businesses and community development needs:</p> <ul style="list-style-type: none">• Contribute 3% after tax dollars• Leverage matching grant programs	<ul style="list-style-type: none">• Donated over \$450,000 in support of local nonprofits and community initiatives in 2021 (almost 4% of net income)• Contributed \$600,000 to local nonprofits during the pandemic
Employee Volunteerism	<p>Support local volunteer initiatives that galvanize employee participation of at least 40%</p>	<ul style="list-style-type: none">• 25% of all employees volunteered in support of local nonprofits in 2021• Provided volunteers paid time off to compensate for weekend and evening volunteer efforts
Loans to Small Businesses	<p>Originate at least 60% of all business loans under \$1 million to businesses with gross annual revenue of \$1 million or less</p>	<ul style="list-style-type: none">• 58% of all business loans made in 2021 were made to small businesses• Maintained #1 market share status in SBA lending in Santa Barbara and San Luis Obispo Counties
Loans to Low- and Moderate-Income (LMI) Communities	<ul style="list-style-type: none">• Increase mortgage loans in Low-and-Moderate-Income communities• Originate at least 30% of small business loans in LMI communities annually	<ul style="list-style-type: none">• Approved to offer 4 to 1 match on down payment for 1st time LMI home buyers through the Federal Home Loan Bank Wish Program• 40% of all small business loans originated in 2021 were in LMI census tracts
Employee Development	<ul style="list-style-type: none">• Increase the rate of internal promotions• Ensure fair and equitable pay for all employees	<ul style="list-style-type: none">• Instituted development plans for 100% of all employees• Increased minimum wage to \$20 an hour and completed compensation study



COMMUNITY OUTREACH: SUPPORT



\$600,000

contributed to over 150
local nonprofits during the
pandemic through 2021

\$140,000

in disaster related support to
45 nonprofits matched by an
additional \$112,500 in Federal
Home Loan Bank grants

200%

increase in nonprofit support
over 2020

60%

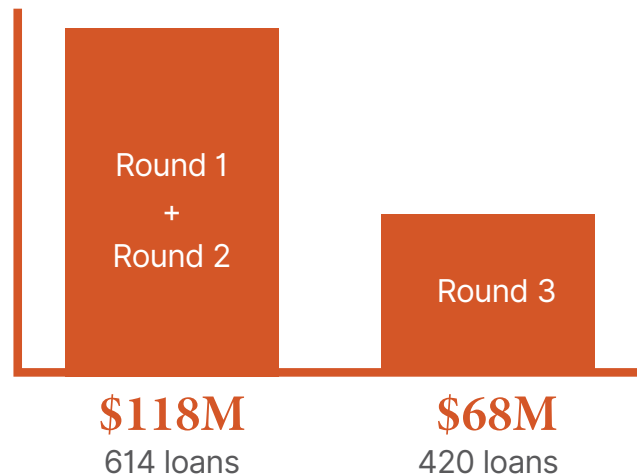
of our combined
Executive Team and Board
of Directors serve on boards
of local nonprofits and other
organizations supporting
economic development




PAYCHECK PROTECTION PROGRAM (PPP)


American Riviera Bank swiftly engaged the Paycheck Protection Program (PPP) to support job retention for our local small businesses. We offered regular virtual educational resources through podcasts, blogs, and webinars to help demystify the complexities of the PPP program and keep our customers informed of program changes throughout the pandemic.

PPP
LOANS
funded






Getting Through This, Together.




"My relationship with American Riviera Bank was key to getting a PPP loan. Finally, I'll be able to sleep for the first time in a month. Now my focus is restoring all my employees' jobs."
— Carlos Luna, Owner at Los Agaves, right, with brother and co-owner Christian



What does True Community Banking mean?
It means working together to find solutions under even the most trying of circumstances. It means we care about your employees as if they were our own.

COMMERCIAL LOANS | COMMERCIAL LINES OF CREDIT | COMMERCIAL REAL ESTATE LENDING
Preferred SBA Lender



AMERICAN RIVIERA BANK

Bank on better.

AmericanRivieraBank.com
805.965.5942
Santa Barbara • Montecito • Goleta
San Luis Obispo • Paso Robles



"The PPP loan program was a life preserver for so many of our clients navigating a rough sea that no one could have ever predicted. I'm proud we were able to save jobs and keep many businesses afloat. My favorite part has been helping our clients with the Forgiveness Application, allowing them to receive forgiveness of their loan from the SBA – I feel as though I've been able to fulfill my dream of being a teacher. It is often the highlight of my day to walk a borrower through the Forgiveness Application and having them say 'well that was easy — and fun!'"

Annette Jorgensen Vice President, SBA Business Development Officer



ARB & FHLB

As a member of the Federal Home Loan Bank, ARB is able to leverage need-specific programs in support of issues facing our community such as disaster relief, homelessness, and affordable housing for first-time home buyers. The Federal Home Loan Bank of San Francisco is a member-driven cooperative helping lenders in Arizona, California, and Nevada build strong communities, create opportunity, and change lives for the better.

In response to the escalating economic impact of the COVID-19 pandemic on the communities they serve, the FHLB offered to match donations made by its member financial institutions to nonprofits or contributions to support small businesses, with up to \$10,000 available per member. Through this initiative, ARB was able to maximize the benefit of donations made to organizations such as the Food Bank, with additional funds totaling over \$110,000 dollars to-date.

Each year, the Food Bank of Santa Barbara County distributes more than 14.6 million meals to people struggling with hunger. Partner organization, SLO Food Bank, provides similar programs to children, seniors and struggling families throughout the San Luis Obispo County.

Highlights

\$1.00 =

The SLO Food Bank donates 7 meals per \$1

\$450k =

ARB donated over \$450,000 in 2021 in support of local nonprofit and community initiatives. That's almost 4% of net income for the year!



ECONOMIC DEVELOPMENT

Jobs



13,209 Jobs retained by 1,065 PPP Loans

Small Business



58% of loans made in 2021 were to small businesses with under \$1M in revenue

\$82 million in small loans to businesses in 2021, excluding PPP loans

LMI Communities



26% of all portfolio mortgages originated in the last 18 months were in low and moderate income (LMI) communities



40% of small loans to businesses were made in LMI communities in 2021



“What I love about doing SBA loans for our clients that sets us apart from the rest is being able to quickly respond to the need. Clients come into the Bank looking for help with financing that may not meet the requirements of more traditional bank financing. I love that “aha” moment when I’m meeting with a client and I’ve figured out a way to make it work. Once we have the deal figured out, there is an entire team of people at ARB that I can call for assistance in structuring the deal so that it meets the needs of everyone involved.”

Renee Howard Vice President, SBA Manager



VOLUNTEERISM & COMMUNITY SUPPORT

ARB offers volunteer paid time off (VTO) for employees that volunteer at Bank-sponsored events after hours. The Bank also provides employees an additional 2 hours a month on Bank time to volunteer for causes they are passionate about.



“I’m grateful to ARB for allowing me to volunteer my time to make an impact on people, and our community, and especially to better the lives of kids. Years go by and I’ll run into a kid that I coached through Friday Night Lights saying ‘I still remember what you did for me.’ I love being a leader in the community, and for the Bank. And it’s important to me to lead by example, to volunteer alongside other employees at community events so that they feel supported in giving back too.”

Matt Limon Assistant Vice President, Client Relationship Manager

Spotlight

In response to a fire that destroyed a local baseball league’s shed and equipment, ARB sprang into action. Along with the support of local businesses, government, and the community, ARB set up a matching grant program to raise funds for Dos Pueblos Little League. The overwhelming response enabled DPLL to meet its fundraising goal in just two days—covering the entire expected cost of damages. In addition to the \$7,500 in matching funds American Riviera Bank pledged to the local nonprofit, the City of Goleta, Mark Linehan of Camino Real Marketplace, Daniel and Mandy Hochman, Supervisors Joan Hartman and Greg Hart, and Mayor James Kyriaco made donations totaling \$14,000 to bring the campaign over the finish line.



COMMUNITY EDUCATION

An important part of our commitment to our community is to be a trusted resource. This extends beyond bank offerings and highlights our team's expertise. We have a vault of resources available that explore financial literacy, education, and safety, as well as creating ongoing content that addresses the impacts of current events – all which can be accessed through a trusted .Bank platform.

New .BANK domain

- A .bank domain with increased security you can trust
- Prevents phishing and email spoofing

Financial education tools

- Resources available on website with content courses covering retirement, bookkeeping, children/teens and money management, fraud prevention and more

Financial literacy programs for youth

- Zoom lessons in local schools
- Dos Pueblos Financial Literacy and Investment Club

Elder abuse awareness efforts

- Educational seminars and webinars
- Advocacy at the local, state, and national level

PPP education series

- Blog posts
- Customer newsletters
- Recorded webinars

Regional Pulse Podcast

- Prominent members of our community share their knowledge on important regional issues

In 2021, ARB offered classes in Financial Literacy via Zoom lessons in local schools around our community as well as for children with St. Vincent's.



Community Zoom Lessons



Financial Literacy



OUR TEAM, OUR COMMUNITY

It goes without saying that our team members are our greatest asset and it has never been more important to stay connected to one another. ARB formalized its teleworking policy to provide employees in non-customer facing positions the option to work remotely. Employees in jobs that do not provide for teleworking options are offered certain stipends based on current need. We launched virtual and outdoor opportunities that continue to allow the ARB team to connect and maintain a sense of community. The Bank also hosted a virtual awards ceremony in 2021, recognizing exemplary team members who mentor, innovate, lead, and embrace the spirit of ARB.

We are proud of our staff's community outreach. From supporting opening day at the ball field to conversations at the Zoo to staff hikes throughout the Central Coast, the ARB staff is at the heart of our community and our partnerships.





EMPLOYEE SUPPORT



mortgage assistance

Provided employee discounts on 19
employee mortgage loans totaling
over \$7,700,000



weekly lunch

Purchased lunches for employees
from local restaurants weekly
for over 3 months while indoor
seating was unavailable



disaster pay

Disaster pay of \$20 per day for
frontline workers during peak
COVID periods



support

Instituted Teleworking Policy
to support workers
at home



INTERNAL PROMOTIONS

One of our proudest accomplishments in 2021 was the enhanced focus on employee development, promoting many of our hardworking team members.

Julie Ezzo – promoted to Assistant Service Manager of our Paso Robles Branch

“From the time Julie joined our team she has brought an enthusiasm for learning and a positivity that is infectious. She has embraced every position that she has held from being a teller to now as our Assistant Service Manager. Julie always goes above and beyond in all that she does and has shown that she is up for any challenge. It is such a pleasure to see her grow and succeed in her career path.”

Heidi Cummings Vice President, Branch Manager

Michelle Brewster – promoted to Assistant Service Manager of our San Luis Obispo branch.

“I felt like I’d won the lottery when I was hired by American Riviera Bank. I was told that we work hard but also like to have fun. Ain’t that the truth? I work with an exemplary team of employees who really care about doing what’s best for the client. That genuine care for clients also extends to one another, and employees are treated with respect. A few months ago, I was lucky to be promoted to Assistant Service Manager from a job as a Personal Banker. I feel like the support from my team was what helped give me the courage to apply for the position and succeed in my new role.”



EMPLOYEE INVESTMENT





2021 AWARD WINNERS

ARB's annual WOW Awards are an opportunity for the Bank team to recognize their peers by nominating teammates who exemplified the core values and mission of ARB. Categories include Team Player, Innovator, Mentor/Leader, Responsive Teammate, and Reliable Teammate. Here are the most recent honorees:

Kim Gibas – Core Values Award Winner

“2021 was an incredible year. I had just joined the Bank when the 3rd allocation of PPP funds was announced. As a member of the PPP team, I was excited for the opportunity to immediately meet so many of our clients. It meant so much to me that I could be there to provide a listening ear for client concerns and really help them through the process, while keeping them continuously updated on status along the way. PPP was also an opportunity for me to interact with so many wonderful people at the Bank that I wouldn't normally have worked with. I was proud of the “all hands on deck” approach and the momentum I saw generated at all levels of the Bank. It was truly an honor to see the impact we were making on so many businesses throughout our counties.”

Additional Award Winners

Julie Ezzo Team Player

Sandra Gallo Innovator

Jason Kaufman Mentor/Leader

David Norman, Karly Davis Responsive

Alex Vera, Heidi Harwell Reliable



GOVERNANCE



“As Chief Credit Officer for ARB, I’m able to leverage my years of experience to support our lenders to construct the best terms possible for the bank and the client. We take the time to listen and ensure we completely understand the transaction, not just for one particular request but in the context of the client relationship as a whole. By leveraging a deep product suite, we are able to consider many options. This helps us get to a “yes” more quickly, and in a manner that protects both ARB and our clients from unanticipated risks.”

Eusebio Cordova, Jr.
Executive Vice President, Chief Credit Officer



GOVERNANCE FOCUS

Our high standards of corporate governance are the foundation of our Bank. We know that an ethical, knowledgeable, diverse, and experienced board and leadership team will drive outcomes and provide sustainable value for stakeholders. We are committed to continuing to compose a team that reflects the values and mission of our Bank and have dedicated executives to advance this initiative.

At all levels of American Riviera Bank, we model a positive and impactful corporate culture.

Company Focus:

Compliance

*Financial
Stability*

*Corporate Purpose &
Stakeholder Interests*

*Board & Executive
Diversity/Expertise*



ARB Customer **Sasha Ablitt**
Ablitt's Fine Cleaners & Tailors



WHERE WE ARE & WHERE WE ARE GOING

Focus	Goals	Progress to-date
Commitment to Diversity in Leadership	Maintain diversity in leadership that meets or exceeds employee availability as reported by the EEOC	<ul style="list-style-type: none">• Achieved diversity of 48% across all management positions compared to availability of 43%• Maintained female management of 57%• Launched an employee-led DEI committee
Business Practices and Corporate Ethics	<ul style="list-style-type: none">• Ensure transparency with customers, shareholders, and employees• Demonstrate financial stability while reinvesting into our local communities• Implement processes necessary to ensure compliance with financial reporting requirements	<ul style="list-style-type: none">• Qualified to trade on the OTX with strong corporate governance and disclosure practices• Published first annual ESG report• Hired Director of Internal Audit to implement requirements mandated by the FDIC Improvement Act
Do What's Right	Continue to evolve internal practices supporting compliance, cybersecurity, and customer privacy	<ul style="list-style-type: none">• Completed validation of customer data to ensure strong privacy practice• Maintain an “outstanding” rating by FDIC Under the Community Reinvestment Act
Expertise and Tenure in Bank Leadership	Maintain expert leadership to ensure credibility, respect in the community, and promote fairness throughout the Bank’s central coast footprint	<ul style="list-style-type: none">• Recognized for excellence in financial performance by the Findley Reports for 11th consecutive year• Average tenure of the Board of Directors is 11 years• 100% of all executive team members recognized by industry experts through industry advocacy groups and local community groups as subject matter experts
Corporate Purpose	Continue to institute strong controls, policies, and processes to ensure ARB can operate consistent with the Bank’s original purpose as we grow	<ul style="list-style-type: none">• Refreshed ARB’s core values• Instituted a risk-based audit program driven by results of an annual risk assessment



CORE VALUES

Integrity is the foundation for our actions.

Integrity is at the core of everything we do. We do what's best for our team members, clients and shareholders. Maintaining your trust is essential.

We value everyone.

Respect is crucial to our success. The wide range of backgrounds, ideas, expertise and talents of our diverse clients and team members is our greatest advantage.

We strive to be *better*.

Innovation isn't just about adopting new technology—it's about looking for opportunities to evolve and be better. Whether it's finding creative solutions to improve client experiences or developing team members for the next step in their career, we grow and adapt individually and as a bank.

We work together for the benefit of all.

Collaboration across our organization means communicating with empathy and humility as we build community with each other and our clients. The relationships that are created as we work toward a common goal are at the heart of true community banking.

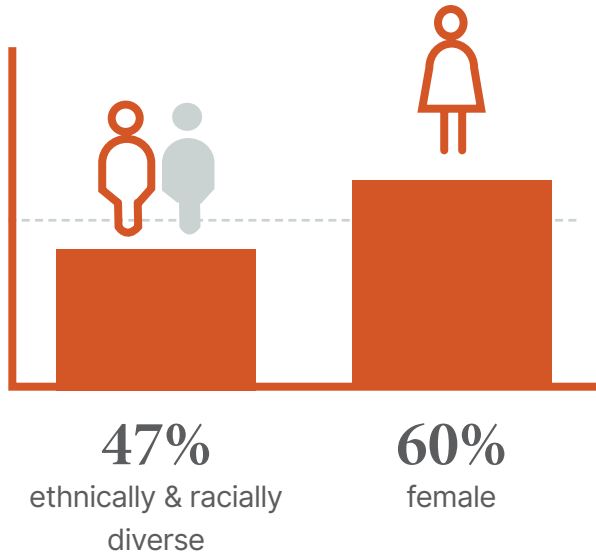
We get the job done.

Dependability that exceeds expectations. Our team members create positive experiences by anticipating needs and solving problems.

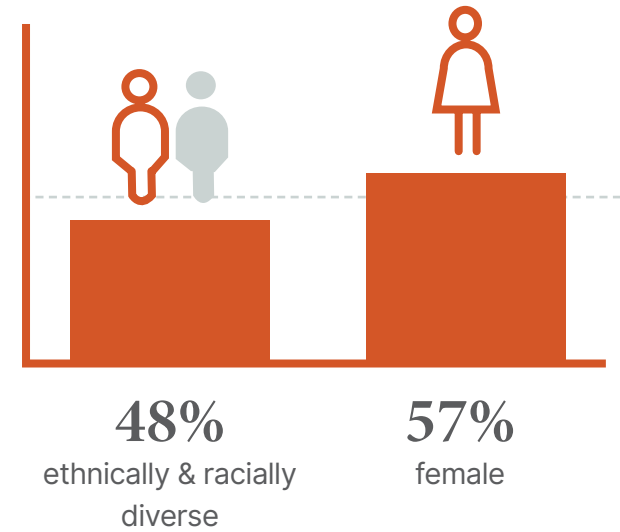


DIVERSITY & INCLUSION

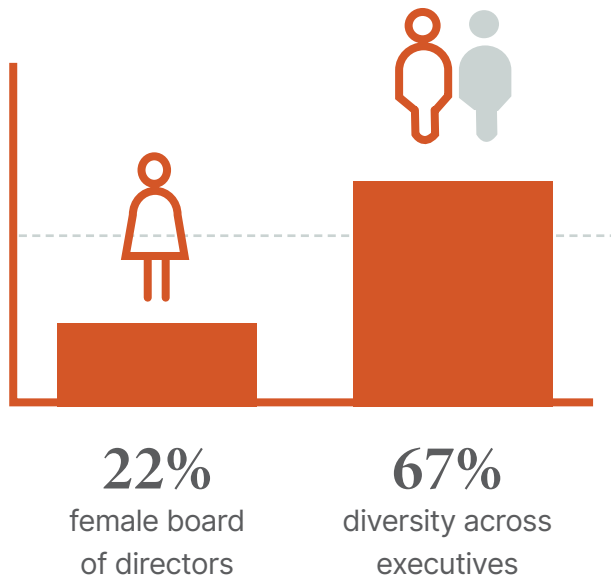
ARB
overall



Mgmt
1st/mid
level



ARB
board &
exec





PRIVACY, DIVERSITY & INCLUSION

A Commitment to What's Right

ARB remains committed to a policy of equal opportunity for all employees and seeks qualified applicants for employment. In short, this means that we will recruit, hire, train and promote people in all job titles, without consideration of race, color, gender, national origin, religion, age, sexual orientation, gender identity, gender expression, genetic information, physical or mental disability, pregnancy, marital status, status as a protected veteran, or any other protected category, in accordance with applicable federal, state, and/or local laws.



“At ARB, we believe in doing what’s right; not just because there is a law or regulation that requires it, but because we believe in treating our clients and fellow team members the way we want to be treated ourselves. The Bank goes further to ensure that not only our client and team are protected, but that others are as well, by encouraging me to share my expertise with industry advocacy groups. I am proud to speak on topics I’m passionate about, like elder financial exploitation or customer privacy.”

Laurel Sykes Executive Vice President, Chief Risk Officer



SOUND GOVERNANCE

Experienced Board of Directors

Average tenure of 11 years

Independence and Expertise

All members of the Audit Committee are independent of management

Chairman is independent of management

22% of our board members have expertise in finance

ARB qualified to trade on the “OTCQX Best Market” in 2021

Industry advocacy

Executive team members sit on boards and committees for CCBN, WBA, and ABA





FINANCIAL STABILITY

Our clients can rest assured in the knowledge that their personal data is safe with us. We intentionally designed our online .BANK website with client protection as a primary focus. .BANK is a verified, protected domain, similar to .gov or .edu, with strict security requirements to operate. It replaces generic domains like .com, which can be purchased by anyone. This allows clients to confidently engage in communication with .BANK email addresses or through our website. We also commit to not selling or sharing client data with third party marketing companies, and we never engage in invasive online advertisements.

Financial Strength

- Net income up 60% YOY
- Core Loans reflect 17% growth YOY, or \$112 million over the last year, excluding PPP loans
- Deposit growth of 38% YOY, an increase of \$330 million
- In 2021, the Bank has achieved an annualized return on average assets of 1.04% and return on average equity of 13.02%

In 2021, American Riviera Bank achieved two significant milestones; we reached \$1 billion in total assets and we qualified to trade on the OTCQX Market, which provides investors with a premium U.S. public market to research and trade the shares of investor-focused companies. Graduating to the OTCQX Market marks an important milestone for companies, enabling them to demonstrate their qualifications and build visibility among U.S. investors.



“Exceeding \$1 billion in assets in 2021 reflects our exciting growth and further cements our strong position in the market. As evidenced by our OTCQX designation, throughout this growth we have remained committed to the highest financial standards, diligent compliance, and following best practices within corporate governance. You can trust our commitment to our clients and their security.”

Michelle Martinich Executive Vice President, Chief Financial Officer



FINANCIAL STATEMENTS

American Riviera Bank *Balance Sheets*

December 31, 2021

(Dollar amounts in thousands, except share amounts)

	2021
ASSETS	
Cash and due from banks	\$ 8,184
Interest-bearing deposits in other financial institutions	283,927
Available-for-sale investment securities	191,423
Equity securities	120
Loans	793,490
Allowance for loan losses	(9,383)
Net Loans	784,107
Bank premise and equipment, net	5,916
Operating lease right-of-use asset	4,513
Cash surrender value of bank owned life insurance	8,641
Stock in other banks	4,288
Goodwill	4,800
Other intangibles, net	179
Accrued interest receivable and other assets	10,442
Total Assets	\$ 1,306,540
LIABILITIES AND SHAREHOLDERS' EQUITY	
Deposits:	
Non-interest-bearing demand deposits	\$ 470,763
Interest-bearing demand deposits	181,546
Savings deposits	87,139
Money market deposits	433,416
Time deposits	29,226
Total Deposits	1,202,090
Federal Home Loan Bank borrowings	-
Operating lease liability	4,972
Accrued interest payable and other liabilities	3,205
Total Liabilities	1,210,267
Shareholders' Equity:	
Preferred stock - no par value; 5,000,000 shares authorized, none issued	-
Common stock - no par value; 10,000,000 shares authorized; 5,134,993 and 5,083,648 shares issued and outstanding in 2021 and 2020, respectively	56,564
Retained earnings	40,432
Accumulated other comprehensive gain (loss), net of taxes	(723)
Total Shareholders' Equity	96,273
Total Liabilities and Shareholders' Equity	\$ 1,306,540

American Riviera Bank *Income Statements*

for the year ending in December 31, 2021

(Dollar amounts in thousands, except per share data)

	2021
Interest income:	
Interest and fees on loans	\$ 37,972
Interest on available-for-sale investment securities	1,674
Interest on deposits in other financial institutions	391
Total interest income	40,037
Interest expense:	
Interest on savings deposits	64
Interest on money market deposits	698
Interest on interest-bearing demand deposits	86
Interest on time deposits	100
Total interest expense on deposits	948
Interest expense on borrowings:	-
Total interest expense	948
Net interest income before provision for loan losses	39,089
Provision for loan losses	338
Net interest income after provision for loan losses	38,751
Non-interest income:	
Service charges, commissions and fees	2,511
Broker fees	620
Gain on sale of investment securities	8
Gain on sale of loans	446
Total non-interest income	3,585
Non-interest expense:	
Salaries and employee benefits	16,007
Occupancy and equipment	2,872
Other non-interest expense	7,082
Total non-interest expense	25,961
Income before provision for taxes	16,375
Provision for taxes	4,546
Net income	\$ 11,829
Earnings per share, basic and diluted	\$ 2.30

American Riviera Bank *Income Statements*

for the year ending in December 31, 2021

(Dollar amounts in thousands, except per share data)

	2021
Net income	\$ 11,829
Other comprehensive income (loss):	
Unrealized gain (loss) on investment securities:	
Unrealized holding gains (losses) arising during the period	(1,848)
Other comprehensive income (loss) before tax	(1,848)
Tax effect	547
Total other comprehensive income (loss)	(1,301)
Comprehensive income	\$ 10,528



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