



AMERICAN RIVIERA
BANK

CALIFORNIA COMMUNITY
BANKING NETWORK
TOP BANKER PANEL

November 4, 2021



OVERVIEW OF AMERICAN RIVIERA BANK

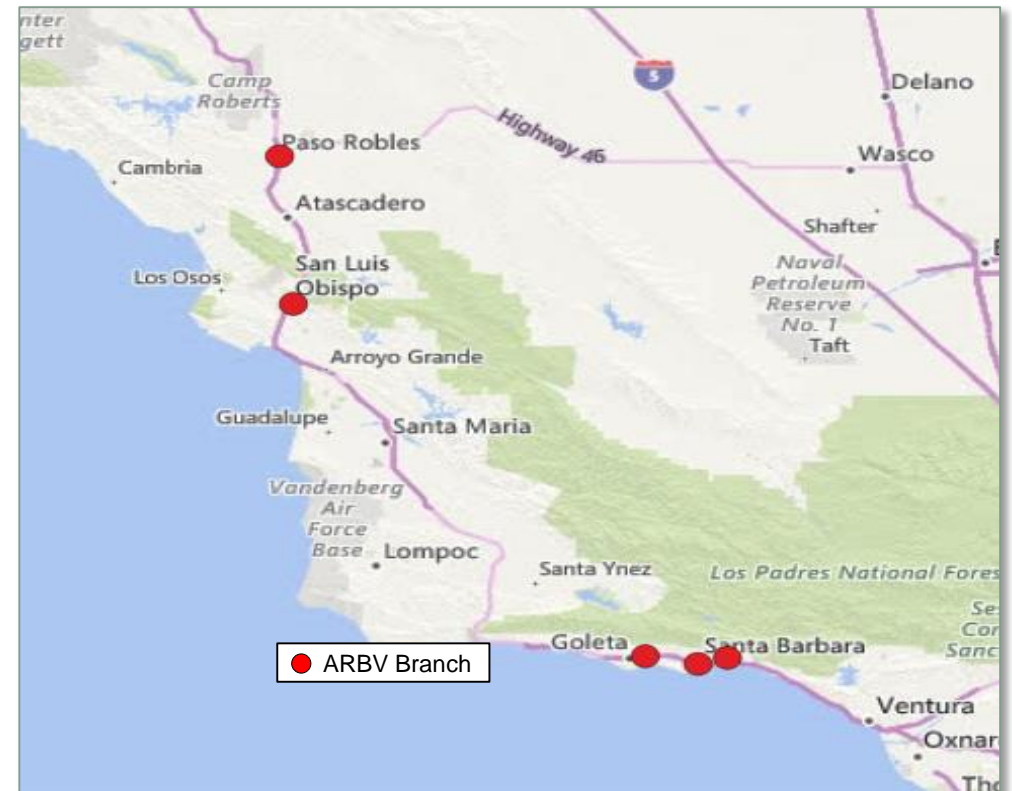
Company Overview

Headquarters	Santa Barbara, CA
Ticker / Exchange	ARBV / OTCQX
Market Cap.	\$ 103 MM
Outstanding Shares	5,130,937
Client Focus	Real Estate, Small Business, and HNW Individuals
Geography	Central Coast of California
Year Established	2006
Branches	5

Financial Overview at 09/30/21 and YTD

Total Assets	\$ 1,218 MM	ROAA	1.12%
Gross Loans	\$ 779 MM	ROAE	13.64%
TCE Ratio	7.59%	Efficiency Ratio	59.7%
RBC Ratio	12.28%	NIM	3.75%

Branch Footprint



Source: Unaudited company information, as of 9/30/2021. Market data from S&P Global Market Intelligence, as of 10/27/2021
 Note: All dollars in millions



HISTORY OF THE BANK



2006

2008

2013

2016

2018

2019

2021




Jeff DeVine joins as President & CEO
August 21, 2008

Assets: \$93 million
June 30, 2008 Call Report



Goleta
5880 Calle Real
Goleta, CA 93117
Opened in January 2013
Acquired through merger with BSB
Deposits: \$86 million*


THE BANK
of Santa Barbara
Acquired The Bank of Santa Barbara ("BSB")
Assets: \$177 million**
Completed acquisition in January 2016


\$8.5 Million Common Stock Offering
Completed March 2019


\$1 Billion+ Assets
\$1,083,442,000
March 31, 2021 Call Report



Santa Barbara
1033 Anacapa St.
Santa Barbara, CA 93101
Opened in July 2006
Deposits: \$600 million*



Montecito
525 San Ysidro Rd.
Montecito, CA 93108
Opened in April 2013
Deposits: \$74 million*



San Luis Obispo
1085 Higuera St.
San Luis Obispo, CA 93401
Opened in May 2019
Deposits: \$120 million*



Paso Robles
1601 Spring St.
Paso Robles, CA 93446
Opened in February 2018
Deposits: \$172 million*

*Unaudited company information as of 6/30/2021.

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



MARKET DISRUPTION SINCE 2007

15 banks with \$8.7B of deposits in ARBV's footprint have been acquired or failed since 2007, including 10 banks which were locally headquartered*

Deposit Market Share* in 2007

Rank		In-Mkt. Institution (State)	Number of Branches	Deposits in Market	Market Share
Total	HQ				
1	1	Pacific Capital Bancorp (CA)	23	\$ 2,457,008	18.0%
2	-	Rabobank	32	\$ 1,749,886	12.8%
3	-	Bank of America Corp. (NC)	15	\$ 1,676,417	12.3%
4	-	Washington Mutual Inc. (WA)	14	\$ 1,507,264	11.0%
5	-	Wells Fargo & Co. (CA)	15	\$ 1,172,800	8.6%
6	-	Wachovia Corp. (NC)	2	\$ 777,940	5.7%
7	2	Montecito Bancorp (CA)	6	\$ 563,761	4.1%
8	3	Harrington West Financial Group Inc. (CA)	8	\$ 507,526	3.7%
9	4	Heritage Oaks Bancorp (CA)	12	\$ 490,139	3.6%
10	5	Community West Bancshares (CA)	4	\$ 350,785	2.6%
11	-	BNP Paribas SA	2	\$ 261,222	1.9%
12	-	Downey Financial Corp. (CA)	8	\$ 233,972	1.7%
13	6	Santa Lucia Bancorp (CA)	4	\$ 215,544	1.6%
14	7	San Luis Trust Bank FSB (CA)	1	\$ 183,202	1.3%
15	-	FB Corp. (MO)	3	\$ 172,793	1.3%
16	-	MUFG Americas Holdings Corp. (NY)	5	\$ 166,978	1.2%
17	8	Coast Bancorp (CA)	5	\$ 166,194	1.2%
18	-	First Republic Bank (CA)	1	\$ 162,217	1.2%
19	-	Citigroup Inc. (NY)	4	\$ 161,081	1.2%
20	9	Business First National Bank (CA)	2	\$ 134,204	1.0%
21	-	Northern Trust Corp. (IL)	2	\$ 120,462	0.9%
22	10	Mission Community Bancorp (CA)	4	\$ 118,298	0.9%
23	11	Community Bank of Santa Maria (CA)	3	\$ 109,511	0.8%
24	-	Signature Group Holdings Inc. (OH)	1	\$ 66,206	0.5%
25	12	Founders Community Bank (CA)	1	\$ 64,018	0.5%
26	13	Bank of Santa Barbara (CA)	1	\$ 43,796	0.3%
27	14	American Riviera Bank (CA)	1	\$ 29,856	0.2%
28	-	Fireside Bank (CA)	1	\$ 3,513	0.0%
29	-	Dickinson Financial Corp. II (MO)	1	\$ 1,999	0.0%
Total for All Institutions in Market			181	\$ 13,668,592	
Total Disruption (15 Companies)			118	\$ 8,652,504	63.3%

Deposit Market Share* in 2020

Rank		In-Mkt. Institution (State)	Number of Branches	Deposits in Market	Market Share
Total	HQ				
1	-	Wells Fargo & Co. (CA)	19	\$ 4,403,434	18.8%
2	-	Bank of America Corporation (NC)	10	\$ 3,207,875	13.7%
3	-	JPMorgan Chase & Co. (NY)	18	\$ 2,963,010	12.6%
4	-	Mechanics Bank (CA)	26	\$ 2,812,646	12.0%
5	-	Mitsubishi UFJ Financial	15	\$ 2,381,713	10.2%
6	-	Pacific Premier Bancorp (CA)	11	\$ 2,119,934	9.0%
7	1	Montecito Bancorp (CA)	11	\$ 1,428,316	6.1%
8	2	American Riviera Bank (CA)	5	\$ 793,156	3.4%
9	3	Community West Bancshares (CA)	6	\$ 583,214	2.5%
10	-	PacWest Bancorp (CA)	7	\$ 550,454	2.3%
11	-	First Repub Bank (CA)	1	\$ 482,730	2.1%
12	4	Community Bncp of Santa Maria (CA)	2	\$ 290,492	1.2%
13	-	BNP Paribas	1	\$ 236,308	1.0%
14	-	Sierra Bancorp (CA)	7	\$ 214,194	0.9%
15	-	U.S. Bancorp (MN)	8	\$ 199,563	0.9%
16	-	Heartland Financial USA Inc. (IA)	4	\$ 185,119	0.8%
17	-	Northern Trust Corp. (IL)	1	\$ 181,991	0.8%
18	-	FB Corp. (MO)	3	\$ 161,252	0.7%
19	-	1st Capital Bancorp (CA)	1	\$ 53,279	0.2%
20	-	Banc of California Inc. (CA)	1	\$ 50,957	0.2%
21	-	Umpqua Holdings Corp. (OR)	1	\$ 50,863	0.2%
22	-	Palomar Enterprises LLC (CA)	1	\$ 33,873	0.1%
23	-	Murphy Bank (CA)	1	\$ 23,354	0.1%
24	-	CVB Financial Corp. (CA)	1	\$ 17,575	0.1%
Total for All Institutions in Market			161	\$ 23,425,302	



Source: S&P Global Market Intelligence, deposit data as of June 30 of respective years

Note: All dollars in thousands. Companies highlighted in tan color represent companies which have been acquired or failed

*Footprint includes Santa Barbara and San Luis Obispo Counties



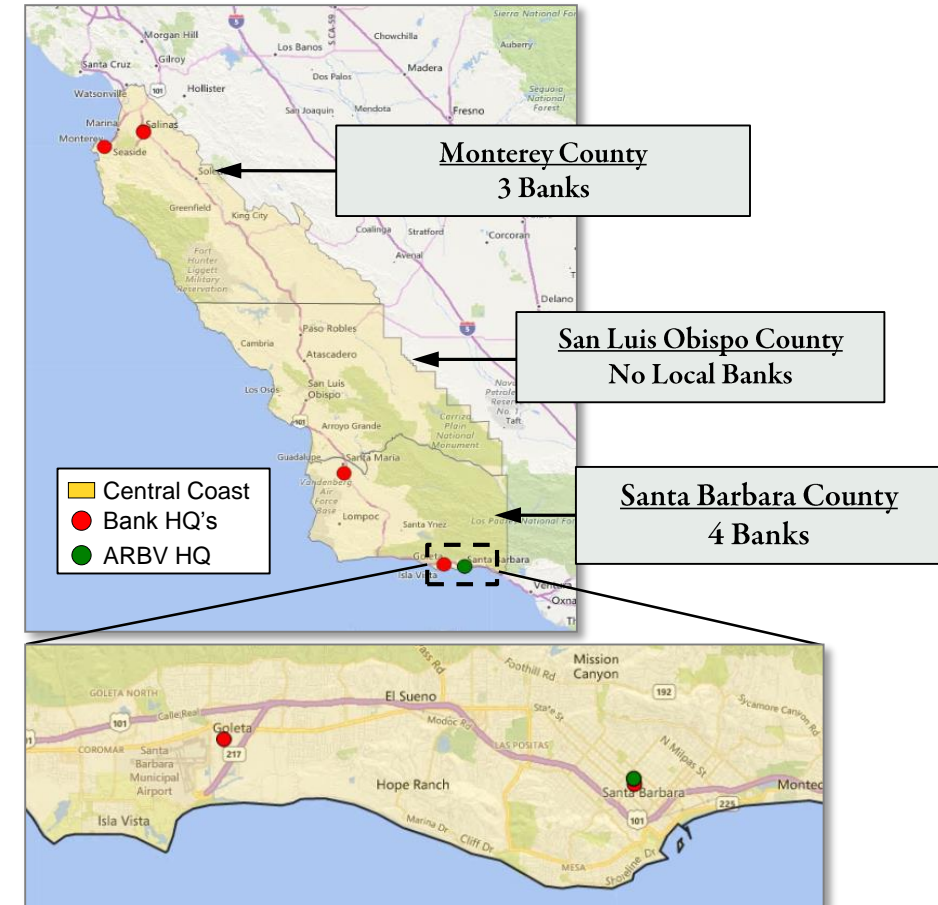
FEW BANKS LEFT IN THE CENTRAL COAST OF CALIFORNIA

- ✓ American Riviera is the second largest bank headquartered in the Central Coast of California as ranked by total assets*
- ✓ No banks headquartered in San Luis Obispo County

Banks Headquartered in the Central Coast of California

Company	County	Assets (\$MM)
★ Montecito Bank & Trust	Santa Barbara	\$ 2,186
★ American Riviera Bank	Santa Barbara	\$ 1,150
★ Community West Bank, N.A.	Santa Barbara	\$ 1,063
1st Capital Bancorp	Monterey	\$ 874
Pacific Valley Bank	Monterey	\$ 477
★ Community Bank of Santa Maria	Santa Barbara	\$ 371
Monterey County Bank	Monterey	\$ 248

★ = Headquartered in Santa Barbara County



Source: S&P Global Market Intelligence as of the most recent quarter publicly available, ARBV unaudited company information as of 6/30/2021

Note: All dollars in millions

*Central Coast of California is defined as the counties of Santa Barbara, San Luis Obispo, and Monterey



AMERICAN RIVIERA
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COMMUNITY SUPPORT & NATURAL DISASTERS



THOMAS FIRE & DEBRIS FLOWS

- ✓ The Thomas Fire started December 4, 2017 in Santa Paula (Ventura County) and burned a total of 282,000 acres in Ventura and Santa Barbara counties before 100% containment occurred approximately one month later.
- ✓ The Thomas Fire was the largest wildfire ever in CA at the time, only to be eclipsed since then by 7 larger fires in the last 4 years!
- ✓ The Fire destroyed 1,000+ structures and caused 2 deaths.
- ✓ Montecito, CA Debris flows occurred on January 9, 2018 after 4 inches of rain fell over a 2 day period culminating in a burst of rain right on top of the burn scar measured at 1/2 inch within a 5 minute period.
- ✓ 15 feet of mud, boulders, trees and other debris moved from the mountain to the sea at 20 mph covering the distance from our 4,000 foot peaks to sea level in about 15 minutes.
- ✓ The Debris flows destroyed 100+ structures and caused 23 deaths.



BUSINESS INTERRUPTION

- ✓ The Thomas Fire came right during the busy Holiday shopping season and lasted a month.
- ✓ The smoke and evacuations caused immediate business interruption issues.
- ✓ Business interruption insurance only kicked in for businesses in mandatory evacuation areas not voluntary evacuation areas. Some of the businesses located in mandatory evacuation areas were not carrying business interruption insurance and we generally found that those that did had inadequate limits. There was a lesson learned here for many businesses.
- ✓ Most businesses were located outside of evacuation areas and yet had to grapple with the lost revenues associated with the smoke. Restaurants could not seat outside, tourists cancelled trips, weddings and business events were cancelled, and we started to see stress among our smaller retail and tourist related businesses.
- ✓ Federal Disaster declaration helped with FEMA/SBA loans, but this help did not come quickly. Interestingly, this forced us to come up with COVID-19 type loan deferral programs well before the pandemic.



EMOTIONAL DISTRESS

- ✓ Another thing we noticed immediately was that our team members became grief counselors for our clients.
- ✓ We were hearing tragic stories of loss of life, property and business income constantly. The survivor stories as well as the stories of those who did not make it were told over and over again until it began taking an emotional toll on our front-line team.
- ✓ Our Employee Assistance Program (EAP) was heavily used by our team members and we encouraged them to do so.
- ✓ Management was understanding of the need for more frequent breaks and absences for those that needed to re-charge and re-group before getting back in front of clients after crying with them.
- ✓ Team members were housing friends and family that were being displaced, and many of our team members were being displaced on short notice and had to leave work to evacuate causing staffing challenges.



EFFECT ON LOCAL NON-PROFITS

- ✓ Major non-profits such as the Foodbank, Direct Relief, and Red Cross delivered much needed support quicker than government authorities could.
- ✓ Our first responders were amazing heroes and the community relied upon and applauded their bravery.
- ✓ Non-profits directly associated with fire/debris flow aid and first responder organizations garnered significant, and well-earned donations.
- ✓ However, an unintended consequence was that the wind literally came out of the sails for all the other non-profits in our community. Gala events had to be cancelled and private donations shifted to the fire/debris flow organizations.
- ✓ The Bank continued to make donations to events which were cancelled and to support non-profits with extra donations to help fill the gap from shifting donor interest. This came at a time that the Bank was worried about small business credit quality, real estate collateral damage, and the ripple effects in the community -- but this is what community banks do.
- ✓ This turned out to be an interesting parallel to and preparation for what happened with COVID-19.



LONG-TERM EFFECT ON HAZARD INSURANCE

- ✓ Hazard insurance premiums are rising at an alarming rate for homes that were not even in the mandatory or voluntary evacuation areas. My policy premium rose 69% this year and has almost tripled since 2017.
- ✓ We are hearing that this is normal in our area and that some insurers are raising premiums to \$15,000-\$20,000 per year for homes in the higher fire danger foothills if they are even willing to renew.
- ✓ People are starting to get cancelled, carriers are stripping out replacement cost endorsements, and some insurance companies are refusing to write policies in California. Has the CA Insurance Commissioner ever heard of redlining?
- ✓ Many homeowners are finding that high-deductibles are the only way to make insurance affordable or are having to buy stripped down policies. California FAIR Plan is an option, but this program is intended to provide basic coverage.
- ✓ Call to action for all of us to underwrite the risks associated with higher premiums/deductibles, stripped down coverage, and borrowers that drop earthquake coverage to reduce overall insurance spend.