



AMERICAN RIVIERA
BANK

AMERICAN RIVIERA BANK

Environmental Social & Governance

REPORT 2023



PRESIDENT'S MESSAGE



Jeff DeVine

“True community banking...

has never been more important than it is right now. We are resolute in our commitment to our clients, shareholders, employees, and community. We focus our strategy on impactful, sustainable growth.

The first quarter of 2023 showed a 40% increase of new deposit accounts across our service area. We are also proud to have recently expanded with a new branch and commercial banking center in Santa Maria, California. This new location will meet the diverse banking needs of a community experiencing rapid economic and population growth. We are committed to providing exceptional service while continuing to expand our products and deepen our relationships with existing and new clients.

Through this report, we share updates on the Bank's environmental, social, and governance goals and our progress to date creating a positive impact on our local communities.

This includes contributions through services as well as our outreach efforts. We remain dedicated to our support of community organizations — donating over \$415,000 in after-tax profits in 2022. In addition, last year our employees and board members volunteered more than 3,200 service hours, collectively.

Our strategic, long-term planning mirrors our corporate purpose and provides our clients, employees, and partners with sustainable and valuable results. We believe transparency

is a vital part of this foundation and we strive to help our clients understand how our bank operates. The national economic climate has prompted more questions, which have led to meaningful conversations about what makes us different and *better*. As our clientele grows so does our expertise — last year alone we welcomed 40 new seasoned and local community bankers with decades of experience serving the region, bringing our staff to 135 full time employees.

This report is just one way we continue sharing our progress, impact, vision, and values. Our executives are also championing supporting initiatives as well as developing enhanced and frequent communication to share how our clients can trust their bank to employ sound governance practices that keep their assets secure, while contributing to the health of our local economies.”



CORPORATE PROFILE



American Riviera Bank was recently recognized for Strong Financial Performance by the Findley Reports for the 12th Consecutive Year

*unaudited company information as of 3/31/23

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

100% owned by 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; through open dialogue and transparency in our communications. We can create meaningful impact and change through open dialogue and transparency in our communications.



ARB Customer **Harry and Grace Kazali**
La Playa Inn



2023 REPORT



ENVIRONMENTAL



SOCIAL



GOVERNANCE



ENVIRONMENTAL RESPONSIBILITY



“The Sustainable Change Alliance is an organization that wants to make lasting impact. I am proud to work closely with these community leaders to thoughtfully address global issues at a local level, and be a resource for community-based impact investing.”

Michelle Martinich

Executive Vice President, Chief Financial Officer



ENVIRONMENTAL FOCUS

Developing products and pathways to help both clients and staff adopt a more sustainable banking partnership is at the forefront of our environmental commitment. We have expanded our digital processes, optimizing online and mobile banking experiences, and provided 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:





WHERE WE ARE & WHERE WE ARE GOING

Focus	Goals	Progress to-date
Sustainable Banking	<ul style="list-style-type: none">• Establish goals for financing and supporting sustainable and environmental focused businesses and causes• Establish a threshold of 3% of total loans in support of sustainable and environmental causes	<ul style="list-style-type: none">• Developed metrics and internal reports to track the impact of loans, investments, and donations in support of environmental initiatives• Attained 2.8% in 2022
Recycling	Increase the amount of recycled materials	<ul style="list-style-type: none">• Added opportunities for employees to responsibly dispose of e-waste through a new recycling program• Recycled 14,000 pounds of paper, or 7 tons
Reduce Non Compostable Supplies	100% compostable break room materials	Transitioned to green break room supplies in 2022
Energy Efficient Facilities	Replace 75-100% of all lighting with energy efficient LED lights	75% of all lighting has been replaced with LED lighting as of 12/31/2022, up 25% from 2021
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">• Recycled 920 pounds of e-waste, including fluorescent bulbs, computer monitors, battery backup systems, and retired phone system• Replaced 10% of all hardware with low-power thin clients in 2021 and another 30% in 2022• Extended average useful life of equipment past 3 years through thin client software and virtual desktops• Purchased high capacity lithium ion batteries with increased longevity over lead acid alternatives



ENVIRONMENTAL

American Riviera Bank is proud to make responsible decisions and work closely with organizations that have a positive impact on the region. At ARB, we firmly believe that responsible banking goes hand in hand with protecting our environment for future generations. Local financial institutions, like ARB, have a crucial role to play in promoting a sustainable future for our communities. In this section, we will delve into the initiatives, policies, and partnerships that underscore our dedication to reducing our environmental footprint and promoting a greener, more sustainable community.

Our branches are located in some of the most picturesque coastal cities of California and we are dedicated to championing environmental initiatives and promoting sustainability and conservation efforts. Through comprehensive energy conservation measures, including energy-efficient lighting and equipment, we strive to reduce our energy consumption and lower greenhouse gas emissions. Our commitment extends beyond our own operations as we support local organizations aimed at making a positive change. By prioritizing sustainability and conservation, we will leave a lasting impact on our community and contribute to a healthier, more resilient environment for future generations to enjoy.



“ARB was founded on certain principles, including sustainability. As a founding director for the bank, it is important to me personally that we stay true to our founding principles as we adapt and change with the environment.”

The banking industry is not going to change global impacts...but don't we have some responsibility? We are a community bank. All our businesses, our homes, our families, they are all connected to this, so what things can we do as a corporation?”

Joe Campanelli Campanelli & Associates Corporation
Director, American Riviera Bank



SUSTAINABLE BANKING

We were proud to fund loans for businesses focusing on making a positive environmental impact through our SBA, commercial real estate, and commercial and industrial loan products. These organizations are making improvements in sustainability through innovation.

Client specific environmental initiatives include:



Agricultural plastic
recycling



Commercial and
residential waste
removal, including
construction clean up



Reduction of trash in
landfills, pollution in
community parks and
beaches



Water treatment
filtration and
purification ozone
remediation



Bee Better Certified
Growers committed to
sustainable farming



Veteran-owned
company assisting in
wildfire control

In 2022, we provided \$4.4 million in loans in support of environmental causes.



ENERGY CONSERVATION

Addressing Energy Consumption

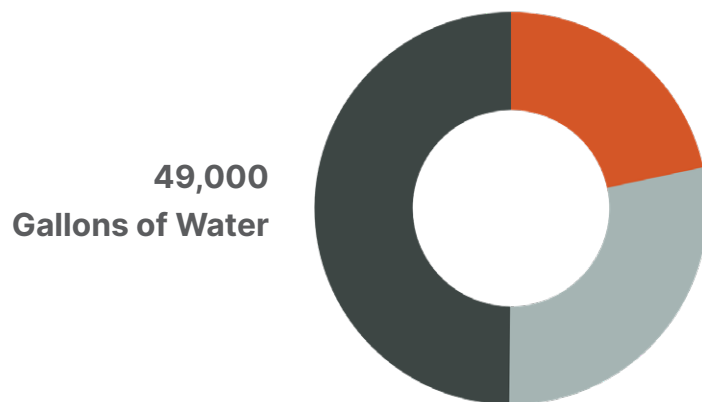
In 2021, we redesigned the technology infrastructure across our branches to eliminate the need for servers and other high-power consumption devices. The change also resulted in reduced cooling requirements and improved cybersecurity. We were able to apply this design to the build out of our new Commercial Lending Center and Administrative offices at 3780 State Street. Instead of investing in a generator, our new, low-power consumption infrastructure allows our operations to sustain power outages on batteries alone. The design is not only smaller and more efficient but, because it requires less power to function, it can also continue to run the business should a prolonged power interruption occur. In addition, the batteries have a longer useful life than traditional lead acid and are more easily recyclable.

At ARB, we firmly believe that responsible banking goes hand in hand with protecting our environment for future generations which is why we have made efforts to conserve oil, water, power, and money.



Batteries

Impact of Recycling



21,280
Gallons of Oil



119 Trees

28,000
Kilowatts of Power



21 Cubic Yards
of Landfill Space



ENVIRONMENTAL INITIATIVES

Regional Pulse Podcast

In 2022, Michelle Martinich, Executive Vice President and CFO, spoke with Joe Campanelli, of Campanelli & Associates, and Dennis Allen, of Allen Construction. Joe and Dennis were instrumental in bringing green building initiatives to Santa Barbara while leading the Santa Barbara Contractors Association. They discussed how individuals and businesses can make small changes that result in big, regional impacts to climate change concerns.

Joe highlighted that ESG initiatives are especially important to ARB. Joe discussed the process of building the Bank's branch on Anacapa and considering material choices that didn't have volatile components affecting the air. They thoughtfully planned the precise amount of materials necessary (e.g. lumber) to avoid waste at the end. They also strategically planned electrical needs to avoid future projects that would create more waste, and selected energy-efficient appliances and furnishings.

Joe's emphasized to listeners the need to start having conversations about climate change, and prioritize improvements we can make as individuals to contribute to a larger impact.

The second episode focused on conservation efforts as well, but primarily on the ways we can reduce fossil fuel use. Joe and Dennis explored the various benefits of going all electric and the grid infrastructure upgrades needed to support increased demand.

A key focus of importance of the discussion was construction costs, the carbon footprint they produce, and the steps necessary to select more environmentally friendly materials, equipment, and appliances.

They noted ARB has many upcoming construction projects planned or in progress and is committed to ordering from local California suppliers, when possible, as part of a localized solution to the climate impact that transportation has at a global level.



Energy Efficient LED Lighting



Office Recycling Solutions



Episode 1



Episode 2



SOCIAL RESPONSIBILITY



“Being a part of a board of directors that prioritizes community involvement is critical as we are all better off when we have strong community organizations. Each organization plays a vital role in education, social service, and mobilizing citizens to support one another. American Riviera Bank’s Board of Directors share in this commitment to support outreach and nonprofit partnerships.”

Joe Howell, Esq.
Director, American Riviera Bank



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, 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*





WHERE WE ARE & WHERE WE ARE GOING

Focus	Goals	Progress to-date
Nonprofit Support	<ul style="list-style-type: none">• Support local and nonprofit organizations dedicated to small businesses and community development needs:<ul style="list-style-type: none">- Contribute 3% after tax profit- Leverage matching grant programs	<ul style="list-style-type: none">• Donated over \$415,000 in support of local nonprofits and community initiatives in 2022, exceeding the goal of 3% of net profits
Employee Volunteerism	<ul style="list-style-type: none">• Support local volunteer initiatives; employee participation of at least 40%• 25 hours per full time equivalent (FTE)	<ul style="list-style-type: none">• 43% of all employees volunteered in support of local nonprofits in 2022, up from 25% in 2021• More than 60 employees and board members contributed over 3,200 hours
Loans to Small Businesses	<ul style="list-style-type: none">• Originate at least 50% of all business loans under \$1 million to businesses with gross annual revenue of \$1 million or less	<ul style="list-style-type: none">• 48% of all business loans made in 2022 were made to small businesses• Maintained #1 market share status in SBA 7(a) 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 (LMI) communities• Originate at least 25% of small business loans in LMI communities annually based upon 2020 census data	<ul style="list-style-type: none">• In 2022: 26% of all mortgage loans were originated in LMI tracts• 20% 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, with an average time to promotion of 1.5 years• Increased minimum wage to \$20 an hour and completed compensation study



COMMUNITY OUTREACH: SUPPORT

“Giving Tuesday” and the “Employee Directed Donations” are two initiatives aimed at providing assistance to the causes and organizations that are most important to the Bank’s clients and employees. Both of these initiatives allow the Bank to give donations directly to support local organizations in Santa Barbara and San Luis Obispo Counties in the spirit of building community.

In honor of “Giving Tuesday” 2022, the Bank donated \$80,000, which is in addition to its regular Bank Sponsorship program that runs throughout the year.

In an effort to expand the impactful reach ARB’s clients have on the community, the Bank includes its clients in the decision-making process. The Bank sent a survey to all bank clients asking them to vote on the causes they want to support. Some of these causes included the Teddy Bear Cancer Foundation, Women’s Economic Ventures, The Land Conservancy, and many more.

Annually, Employee Directed Donations are a special part of our commitment to the community, not only because our employees select the nonprofits, but also because funds are available through ARB’s Board of Directors who relinquish Board fees in order for funds to benefit these employee-supported organizations. ARB employees nominate organizations that are meaningful to them within a given theme; this year’s theme was literacy. This year’s nonprofits included Literacy For Life, Storyteller Children Center Inc., RiteCare Childhood Language Center, among others.





HOUSING

ARB supports the credit needs of our community through responsible lending to local residents and businesses. We maintain a best-in-class mortgage operation that provides clients with a multitude of options through our niche portfolio loan products, as well as access to more conventional financing through our broker partners.

In addition, our commercial lending team is seasoned in discovering solutions to finance multi-family properties, generating over \$41 million in multi-family loans in 2022 alone, and supporting almost 300 units of housing throughout our service area. ARB employees also sit on boards in support of affordable housing needs, including Habitat for Humanity, The San Luis Obispo Housing Trust Fund, and the Coastal Housing Coalition.



"I'm honored to serve on the board of 2nd Story Associates, the non-profit arm of the Housing Authority of the City of Santa Barbara, which was created to support the development of affordable housing and promote social services for the unmet needs of the low-income residents of the Santa Barbara community. As the Bank's designated Community Reinvestment Act Officer, my team and I track and analyze the impact of the Bank's lending on housing and small business credit needs. We originate close to \$85 million in small business loans annually, and we continue to outperform our peers in the proportion of small business loans to local, small businesses with \$1 million or less in gross annual revenues. We've maintained an "outstanding" Community Reinvestment Act rating from the FDIC since 2020."

Laurel Sykes Executive Vice President, Chief Risk Officer



COMMUNITY BANKING: A SUSTAINABLE BANKING MODEL

Bank On Certified, Simply Checking, & Social Outreach



In 2022, American Riviera Bank's Simply Checking Account was officially certified by the national Cities for Financial Empowerment Fund (CFE Fund) as meeting the Bank On National Account Standards. ARB is now one of only 200 financial institutions across the country that offer Bank On certified accounts.

This certification is granted to financial institutions that meet specific requirements and offer accessible and affordable banking products to its community. American Riviera Bank's nationally certified *Simply Checking* account was designed to provide access for consumers who can't afford to meet minimum balance requirements and who can't afford to pay excessive fees. Key features of *Simply Checking* include a monthly service fee of only \$5, no overdraft or non-sufficient fund fees, the ability to pay bills and make purchases, and federal deposit insurance. There are also a variety of ways to avoid the \$5 monthly service charge, such as setting up direct deposit or making 10 debit card transactions per month. Customers can also link multiple accounts to take advantage of a combined balance option.



We celebrate Community Banking Month in April, and we want to thank our clients for putting their trust in us for their banking needs. Read our Idea Vault blog (arb.bank/blog) to see why it makes a difference when you bank locally.

#communitybankingmonth #banklocal #centralcoast



ARB'S COMMUNITY DEVELOPMENT GRANT PROGRAMS

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.

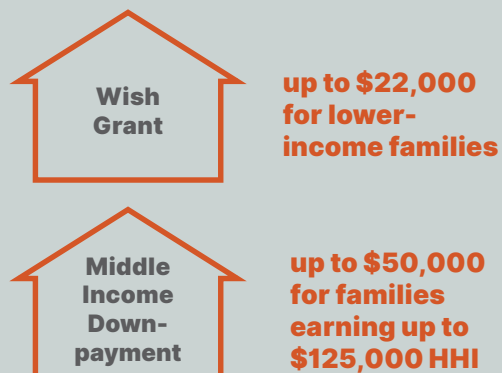
The Federal Home Loan Bank of San Francisco is a member-driven cooperative helping lenders in Arizona, California, and Nevada build strong communities, create opportunity, and change lives for the better.

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.

Through the WISH Grant (Workforce Initiative Subsidy for Homeownership), the FHLB provides a matching grant to help first time homeowners actualize their dreams all while providing education and financial expertise. This program gives a voice to our clients and helps lower to moderate income families achieve homeownership in such a high-cost area, with a match of up to \$22,000 against money saved by the homebuyer for their downpayment.

"We are eternally grateful to American Riviera Bank for making my family's wish of becoming homeowners a reality! The staff at American Riviera Bank were instrumental in helping us complete the WISH Grant application and, more importantly, they made the funds available in a fast and timely manner. Without their sponsorship of the \$22,000 WISH grant, it would have been very difficult for us to have sufficient funds. It's great to know there are programs out there for first-time home buyers like ourselves and I would highly encourage everyone who is exploring homeownership to connect with American Riviera. Their experience and support can make their wish a reality too!"

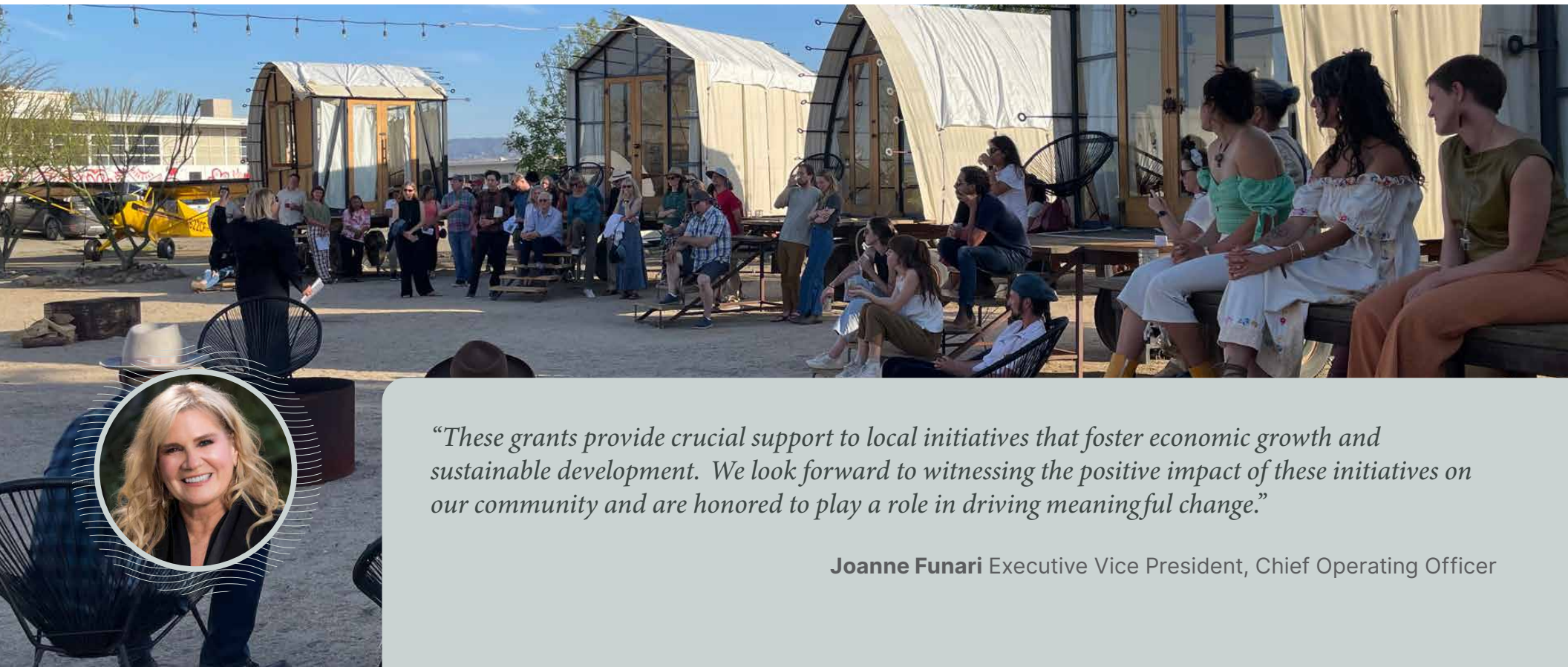
Primitiva Hernandez WISH Grant Recipient





ECONOMIC DEVELOPMENT

AHEAD grants are awarded annually and delivered through FHLBank San Francisco, of which American Riviera Bank is a member, to support local efforts that create a more equitable future for underserved people, neighborhoods, and communities. In 2022, a total of \$1.5 million was awarded to targeted economic development projects, including ARB's client, Blue Sky Center. Blue Sky Center is a community and economic development organization based in rural Santa Barbara County. An AHEAD grant was awarded to its "Made in Cuyama" initiative, which supports ventures that promote local jobs, provides training, and advances social and environmental community initiatives with a special focus on Latino entrepreneurs. "Made in Cuyama" supports rural business growth through technical assistance, job training, and community engagement and the AHEAD funds helped finance staff, curriculum, and participant stipends.



"These grants provide crucial support to local initiatives that foster economic growth and sustainable development. We look forward to witnessing the positive impact of these initiatives on our community and are honored to play a role in driving meaningful change."

Joanne Funari Executive Vice President, Chief Operating Officer



Early Childhood
Education Center



"I'm humbled by the level of volunteerism I see across our bank, and I vowed to lend my time and talents to local non-profits once my children were old enough. St. Vincent's is near and dear to my heart because my uncle had down syndrome and was a student at St. Vincent's under their residential program for children with developmental disabilities. My aunt also worked for St. Vincent's. The mission of St. Vincent's is incredible, and it continues to be the most rewarding experience I've ever had."

Tino Munoz Vice President, Portfolio Manager



VOLUNTEERISM & COMMUNITY SUPPORT

Since its inception in 1858, St. Vincent's has been a community resource, evolving its services to accommodate changing needs. As it has refined its scope, it has always provided for those in critical need.

- **1858** Created to provide a critical need for a school and orphanage in Santa Barbara
- **1918** Opened its first day nursery in response to the needs of working parents during WWI, as one of California's first childcare programs
- **1936** Opened its residential program for children with developmental disabilities
- **1985** Established a communal housing program for special-needs children ?mainstreamed into the public school system
- **1996** Opened transitional housing program for single mothers and infants, known today as the St. Vincent's Family Strengthening Program

In the late 1990s, efforts began to build the largest affordable housing campus of its kind in Santa Barbara, which now spans 21-acres, serving more than 600 clients each day, including housing for seniors and low-income families, and a warming center to support the human and spiritual well-being of the unhoused. Today, plans are underway to construct a facility that provides breakfast and lunch, computers for job searching, an art center, laundry services, and a place of overall welcome and security.

Tino Munoz, VP and Portfolio Manager, has served as a volunteer for St. Vincent's for the last 6 years, providing invaluable support on the Finance Committee before joining the Board. He appreciates the intricacies of affordable housing financing and all the layers required to make a deal pencil out. To that end, he also now serves on the Habitat for Humanity Finance Committee, which has transitioned to a home repair model from a home acquisition model, due to the lack of land for individual homes. Tino values his part in being able to help find solutions in this community where needs are ever-evolving.

Tino is also a past volunteer with the Boys & Girls Club of Santa Barbara Foundation and supports the SB Athletic Roundtable. He is also a past Board member of the San Marcos AAPLE Academy, where both his children attended, and serves on the Loan Committee for the California Coastal Rural Development Corporation.



COMMUNITY EDUCATION

An important part of our commitment to our community is serving as a trusted resource. This extends beyond banking products 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 website.

Financial education tools

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

Elder abuse awareness efforts

- Educational seminars and webinars
- Advocacy at the local, state, and national level
- Fraud Watch Network Hotline
- Santa Barbara Center for Successful Aging provides senior peer counseling and support programs for those who feel isolated or need help handling challenging situations
- Senior Connection
- VA Caregiver support line
- California Friendship line

Regional Pulse podcast topics covered

- Workforce housing
- Green building
- Financial elder abuse awareness
- Recognizing and reporting scams
- Chronic victimization
- Methods of intervention





OUR TEAM, OUR COMMUNITY

Community outreach continues to hold great significance at ARB, and we take immense pride in the dedicated efforts of our staff. They actively participated in various initiatives such as Climb for Danny, a fundraising hike that aims to provide substance abuse treatment for teenagers and their families. Additionally, they showed their support and raised awareness for men's health by donning mustaches during "Movember." Our team also attended CALM's Ladies Get Loud Luncheon, demonstrating their commitment to childhood trauma prevention and treatment programs. Furthermore, they generously made donations on "Giving Tuesday" and through the employee-dedicated donation program.

The ARB staff truly embodies the values of our community and partnerships.

We greatly appreciate their contributions and the impact they have on strengthening our connections both internally and externally. As our team members are highly valued and we prioritize maintaining strong bonds and fostering unity within the team, we established an Employee Events Committee dedicated to facilitating engagement and camaraderie among our team.



Raising Awareness for Men's
Health in "Movember"



Climb for Danny



Calm's Ladies Get Loud Luncheon



Giving Tuesday



EMPLOYEE LEADERSHIP DEVELOPMENT GROUP

As part of ARB's investment in its people, we have established the Employee Leadership Development Group, an opportunity for employees to develop their leadership skills, gain feedback, and build relationships with peers.

Each year's class volunteers to participate in important bank outreach, including the Employee Donations Committee, where members determine how funds are allocated to local, deserving nonprofits.

Engaging in career development and having a voice in the organization are fundamental to our values and how we build commitment and support continued education.

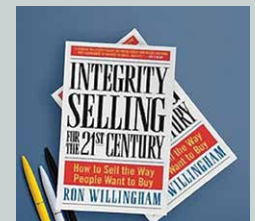
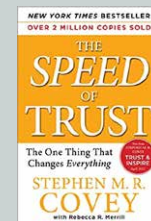


2022 Employee Leadership Group Graduates

"I really enjoyed my experience in the leadership development program. It was beneficial to have time dedicated to building on my existing leadership skills and reflecting on my performance as a leader in the department."

Katherine Rumsey Assistant Vice President

As part of the Leadership Development Program, ARB offers monthly book recommendations, helping to create a culture of learning and development. Reading about the experiences of other leaders can provide a different perspective, help develop new ideas about effective leadership, and provide tools to evaluate strengths and weaknesses. This is a sampling of recent recommendations.





DIVERSITY, EQUITY & INCLUSION

ARB launched a new, employee-led Diversity, Equity, and Inclusion committee in 2022.

Mission

To open up the discussion, learn from each other, and make ARB welcoming, inclusive, and safe while inspiring our team members to make a difference at the Bank and in our community.

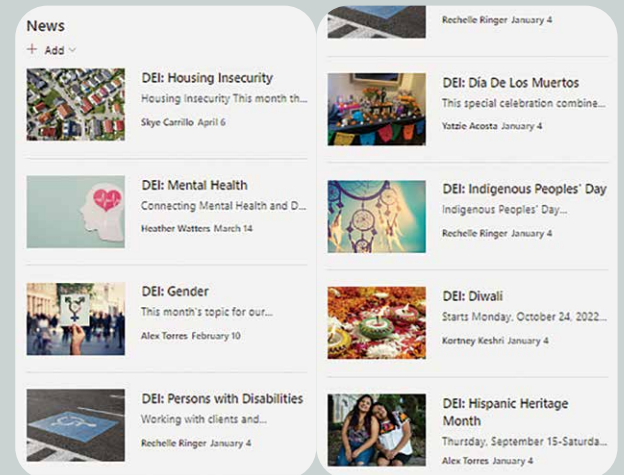
We value everyone.

This core value is central to our DEI committee. We want everyone to feel valued at American Riviera Bank.

- Treat everyone with dignity and respect.
- Acknowledge every individual is of equal value.
- Understand the role each team member and client plays in the Bank's success.
- Recognize that differing views and experiences are advantages.
- Listen with empathy before you speak.
- Allow for multiple paths to mutual goals.

"We believe everyone should have a chance to reach their full potential, with opportunities to provide meaningful contributions. By taking care of our team, we ensure the very best service for our clients, both internally and within the community."

Yatzie Acosta Vice President, Human Resource Manager





INTERNAL PROMOTIONS



Tram Baird – promoted to **Personal Banker II**

“Being a part of ARB has transformed my life in numerous ways. Dustin, our Branch Manager, is always by my side, providing me with guidance and motivation to do my best. The training sessions at ARB are always exciting and open. The trainers emphasize that we are all learning together, which has instilled in me the confidence to ask questions and raise concerns without hesitation. Not only do I feel supported as an employee, but I also feel appreciated.

I am grateful for the growth and advancement opportunities that ARB offers, and I hope to continue being a part of this amazing team for many years to come.”



Skye Carrillo – promoted to **Human Resources Generalist**

“Working for American Riviera Bank has been an absolute privilege! Each day I feel inspired to reach new heights and receive the encouragement to do so. My recent promotion within the Human Resources Department has been an incredibly fulfilling milestone and reflects the remarkable opportunities that ARB offers. I am profoundly grateful to be part of an organization that not only invests in the development of its team members, but genuinely cares about their happiness. ARB fosters an environment that not only supports our personal and professional growth but also creates a sense of purpose.”



INTERNSHIP PROGRAM

Hands on Learning

The Bank has been successful in leveraging our internship program to prepare local youth for future careers in banking or finance. In multiple cases, those interns have gone on to achieve successful careers at ARB. At any given time, we might have three to six interns on staff. In 2022, we even had two of our interns participate in manager training classes focused on the hiring process.



“American Riviera Bank gave me the opportunity to explore many projects within the bank, from marketing and data analysis to risk and compliance. I gained a wide range of skills and experiences that aren’t taught in school through mentorship, observation, and independent exploration. Thank you ARB!”

Anna Roney 2022 & 2023 ARB Intern

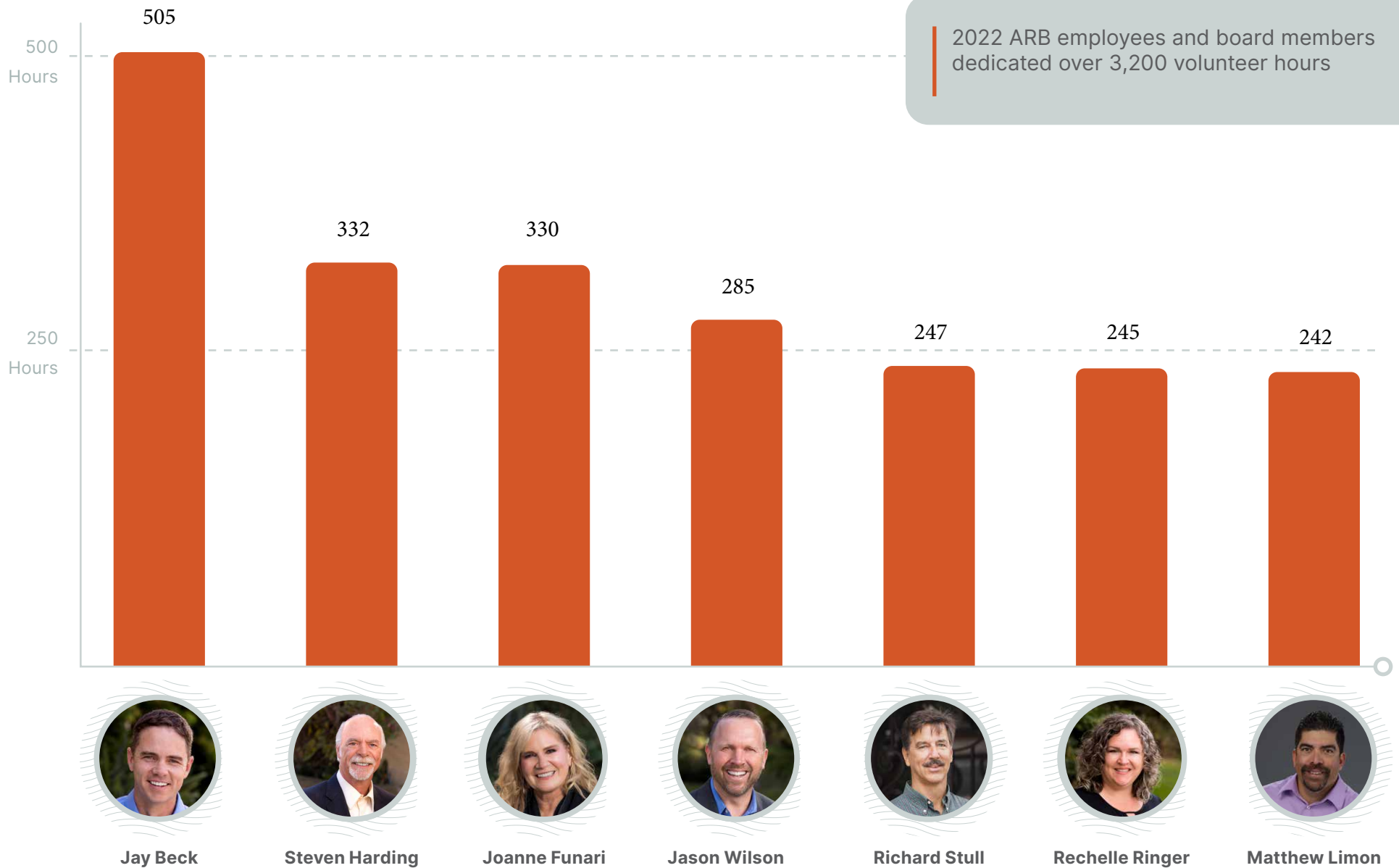


“The collaborative culture of ARB has profoundly exemplified the importance of teamwork. I am lucky to have fallen into the hands of great mentors, masters of their crafts, who aided me in quickly adapting to my role as a Credit Analyst intern. I am beyond thankful for the many opportunities and challenges this internship has provided me.”

Gregorio Marinez 2022 ARB Intern



EMPLOYEE VOLUNTEERISM





2022 WOW AWARD WINNERS

ARB's annual WOW Awards are an opportunity for the Bank's 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:

Lisa French Mentor

"It was such an honor to be acknowledged by my fellow employees and receive this award. I believe our core values — striving to be better, working for the benefit of all, and integrity at the foundation of our actions — help me to be a better manager and employee, and overall makes us a better bank."

Additional Award Winners

Skye Carrillo Team Player

Kelvin Dedrick Innovator

Heidi Cummings Responsive

Christina Soto Reliable



GOVERNANCE



“When I think about good Corporate Governance at American Riviera Bank, it means meeting and exceeding industry standards for community banking, being an independent and strategic thinker, and contributing collectively as a Board of Directors to provide thoughtful guidance for the Executive Team towards achieving the Bank’s goals.”

Jody Dolan Holehouse CPA, CMA
Director, Chair Audit Committee



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*



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 market availability of 43% Maintained female management of 57% Our employee-led DEI committee continues with monthly meetings and initiatives
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 in 2022 Expanded internal audit department to support internal audit program, including financial statements (FDICIA). Resulted in unmodified opinion
Do What's Right	<ul style="list-style-type: none"> Continue to evolve internal practices supporting compliance, cybersecurity, and customer privacy Safe and sound goal 	<ul style="list-style-type: none"> Completed validation of customer data to ensure strong privacy practice Maintained an "outstanding" rating by FDIC under the Community Reinvestment Act Diverse client base with no reliance on one specific industry, segment, or depositor
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 12th consecutive year Average tenure of the Board of Directors is 12 years All executive team members recognized as industry experts serving on industry advocacy groups and local community groups
Corporate Purpose	Continue to institute strong controls, policies, and processes to ensure ARB can operate consistent with the Bank's core values as we grow	<ul style="list-style-type: none"> Relaunched ARB's core values and corporate mission 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.

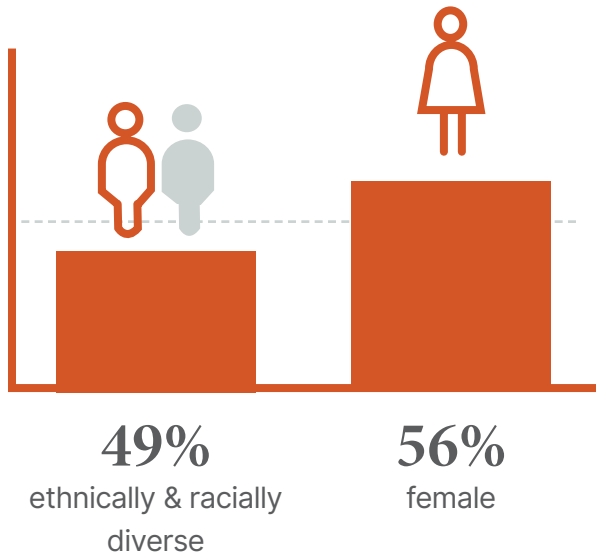
We get the job done.

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

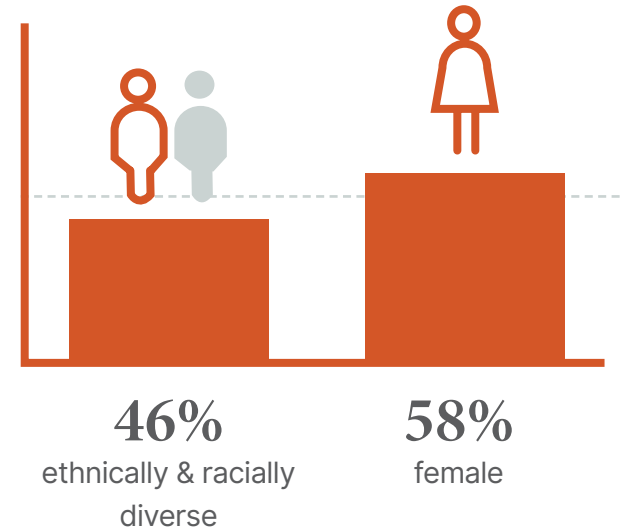


DIVERSITY & INCLUSION

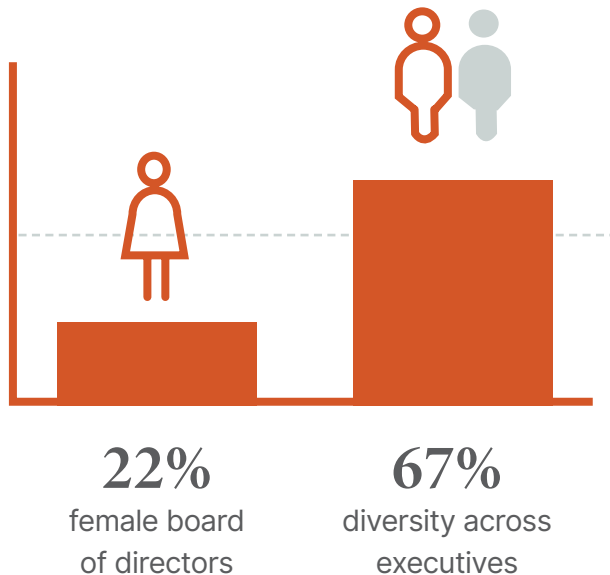
ARB
overall



Mgmt
1st/mid
level



ARB
board &
exec





DIVERSITY AND EXPERTISE

Board Member Spotlight: Dr Elizabeth Cholawsky

Dr. Elizabeth Cholawsky joined American Riviera Bank as a board member in 2019 and is CEO of HG Insights. At American Riviera Bank, Dr. Cholawsky and her fellow directors consistently strive to engage in initiatives that make meaningful impacts.

Dr. Cholawsky demonstrates her dedication to improving the local community by volunteering at local organizations, particularly those that aim to improve our educational system. These organizations include Partners In Education and Exceeding Expectations. Dr. Cholawsky also offers informal support to Women in STEM, a non-profit organization based in Santa Barbara.

Through her work supporting Exceeding Expectations, a nonprofit focused on redirecting the lives of at-risk youth through the sport of triathlon, the charity has helped dozens of kids achieve a college education which would have otherwise been out of reach. Exceeding Expectations expands the horizons of the children and supports their individual interests by providing music lessons, supporting their performances, and escorting them to concerts, shows, and exhibits. The primary goal of the organization is to provide education, which is instrumental in changing their lives.



“In all of my endeavors I try to be a role model for other women who are growing their careers, particularly in technology. I have been fortunate to see some of the young women in the Exceeding Expectations program excel to college education and their first jobs. Being associated with SB Women in STEM gives me an opportunity to meet aspiring female technology professionals and help them understand how to navigate some of the unique challenges that may come their way. At HG Insights I have made it a priority to implement programs for women that will help them advance into leadership roles, often called “the broken rung problem.” I consider this some of the most important work that I can do, even if it only helps in small ways.”

Dr. Elizabeth Cholawsky Director, American Riviera Bank



SOUND GOVERNANCE

Experienced Board of Directors

- Average tenure of 12 years
- Independence and Expertise
 - All members of the Audit Committee are independent of management
 - Chairman is independent of management
 - Board expertise includes: finance, entrepreneurship, technology, real estate, construction, accounting, law

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

ARBV, as an OTCQX stock, is currently outperforming the KBW Regional Bank Index with less volatility than most NASDAQ-traded peers.

Industry advocacy

Executive team members sit on boards and committees for CCBN, CBA, and ABA, and lend their expertise to critical industry-wide issues.

Cybersecurity as a focus

ARB.BANK uses a protected domain, like .gov or .edu, but verified for banks. All banks are verified and authenticated by fTLD, the .BANK administrator, prior to registering their domain.



“Unlike other institutions, when you bank with ARB, your money and your data remains local. We don’t sell or share your personal data. We take pride in our strong commitment to privacy and maintaining your trust. I’m honored to serve on the fTLD advisory council and contribute to the evolution of the policies governing the .BANK domain.”

Paul Abramson Executive Vice President, Chief Technology Officer



FINANCIAL STABILITY

Because of our continued focus on strong corporate governance, our clients can be confident their banking relationship remains safe with us. The Bank's liquidity and capital position provide considerable opportunity to lend and we have a proven track record of continued profitability to support our clients and our community, while building value for our shareholders.

Financial Strength

- We have a diverse client base with no reliance or concentration on a specific industry, segment, or depositor
- For 12 consecutive years, the Bank has been recognized for strong financial performance by the Findley Reports and has received the highest rating of "Super Premier" every year since 2016
- The Bank maintains strong capital ratios, significantly exceeding the regulatory definition for a "well-capitalized" institution
- Our credit quality remains strong with non-performing assets at 0.24% of total assets, as of March 31, 2023.
- ARB is a growing franchise in California's Central Coast with a strong history of relationship based loan growth funded by a stable deposit base.

Visit our Investor Relations page to see our financials at americanriviera.bank or by using the QR code:



"ARB lends within the communities we serve to clients that maintain their deposit relationships with us. In turn, we're able to originate close to 90% of the loans we make each year within the Santa Barbara and San Luis Obispo counties. As the Bank has grown, we have helped our clients grow with us. At ARB, it is a priority to partner with our clients and help them grow responsibly."

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



AMERICAN RIVIERA
BANK

*Where possibilities
become possible*



AmericanRiviera.Bank

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