

American Riviera Bancorp and Subsidiaries

Balance Sheets (unaudited)

(dollars in thousands)

	Mar 31, 2023	Mar 31, 2022	One Year \$ Change	One Year % Change
Assets				
Cash & Due From Banks	\$ 64,252	\$ 320,683	\$ (256,431)	-80%
Available-for-sale securities	223,547	220,364	3,183	1%
Held-to-maturity securities	41,274	-	41,274	100%
Loans (excluding PPP)	924,672	776,395	148,277	19%
PPP Loans	89	11,633	(11,544)	-99%
Allowance For Credit Losses	(11,468)	(9,394)	(2,074)	22%
Net Loans	913,293	778,634	134,659	17%
Premise & Equipment	14,098	9,948	4,150	42%
Goodwill and Other Intangibles	4,942	5,080	(138)	-3%
Other Assets	40,588	27,327	13,261	49%
Total Assets	\$ 1,301,994	\$ 1,362,036	\$ (60,042)	-4%
Liabilities & Shareholders' Equity				
Non-interest-bearing Deposits	\$ 460,667	\$ 481,619	\$ (20,952)	-4%
Interest-bearing Deposits	638,986	764,773	(125,787)	-16%
Total Deposits	1,099,653	1,246,392	(146,739)	-12%
Borrowed Funds	98,000	18,000	80,000	444%
Other Liabilities	12,785	7,971	4,814	60%
Total Liabilities	1,210,438	1,272,363	(61,925)	-5%
Common Stock	57,152	56,554	598	1%
Retained Earnings	55,479	43,370	12,110	28%
Other Capital	(21,075)	(10,251)	(10,824)	106%
Total Shareholders' Equity	91,556	89,673	1,884	2%
Total Liabilities & Shareholders' Equity	\$ 1,301,994	\$ 1,362,036	\$ (60,042)	-4%

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Balance Sheets (unaudited)

(dollars in thousands)

	<u>March 31,</u> <u>2023</u>	<u>December 31,</u> <u>2022</u>	<u>September 30,</u> <u>2022</u>	<u>June 30,</u> <u>2022</u>	<u>March 31,</u> <u>2022</u>
Assets					
Cash & Due From Banks	\$ 64,252	\$ 61,801	\$ 178,882	\$ 212,675	\$ 320,683
Available-for-sale securities	223,547	223,281	222,910	250,132	220,364
Held-to-maturity securities	41,274	41,293	41,241	-	-
Loans (excluding PPP)	924,672	907,580	886,087	854,593	776,395
PPP Loans	89	105	121	6,169	11,633
Allowance for Credit Losses ^(a)	<u>(11,468)</u>	<u>(10,626)</u>	<u>(10,500)</u>	<u>(10,367)</u>	<u>(9,394)</u>
Net Loans	913,293	897,059	875,708	850,395	778,634
Premise & Equipment	14,098	12,347	9,649	9,491	9,948
Goodwill and Other Intangibles	4,942	4,947	4,984	5,025	5,080
Other Assets	<u>40,588</u>	<u>40,931</u>	<u>38,033</u>	<u>35,470</u>	<u>27,327</u>
Total Assets	<u>\$ 1,301,994</u>	<u>\$ 1,281,659</u>	<u>\$ 1,371,407</u>	<u>\$ 1,363,188</u>	<u>\$ 1,362,036</u>
Liabilities & Shareholders' Equity					
Non-interest-bearing Deposits	\$ 460,667	\$ 478,519	\$ 519,796	\$ 487,187	\$ 481,619
Interest-bearing Deposits	<u>638,986</u>	<u>685,008</u>	<u>744,052</u>	<u>768,029</u>	<u>764,773</u>
Total Deposits	1,099,653	1,163,527	1,263,848	1,255,216	1,246,392
Borrowed Funds	98,000	18,000	18,000	18,000	18,000
Other Liabilities	<u>12,785</u>	<u>13,036</u>	<u>7,425</u>	<u>6,460</u>	<u>7,971</u>
Total Liabilities	1,210,438	1,194,563	1,289,273	1,279,676	1,272,363
Common Stock	57,152	57,458	57,123	56,897	56,554
Retained Earnings	55,479	53,560	49,722	45,922	43,370
Other Capital	<u>(21,075)</u>	<u>(23,922)</u>	<u>(24,711)</u>	<u>(19,307)</u>	<u>(10,251)</u>
Total Shareholders' Equity	91,556	87,096	82,134	83,512	89,673
Total Liabilities & Shareholders' Equity	<u>\$ 1,301,994</u>	<u>\$ 1,281,659</u>	<u>\$ 1,371,407</u>	<u>\$ 1,363,188</u>	<u>\$ 1,362,036</u>

Note:

(a) CECL was adopted using the modified retrospective method. Results of reporting periods beginning after 1/1/23 are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP.

American Riviera Bancorp and Subsidiaries
Statement of Income (unaudited)
(dollars in thousands, except per share data)

	Quarter Ended			Three Months Ended		
	Mar 31, 2023	Mar 31, 2022	Change	Mar 31, 2023	Mar 31, 2022	Change
Interest Income						
Interest and Fees on Loans	\$ 11,201	\$ 8,600	30%	\$ 11,201	\$ 8,600	30%
Fees on PPP Loans	1	913	-100%	1	913	-100%
Net Fair Value Amortization Income	(1)	7	-115%	(1)	7	-115%
Interest on Securities	1,733	842	106%	1,733	842	106%
Interest on Due From Banks	276	142	94%	276	142	94%
Total Interest Income	13,210	10,504	26%	13,210	10,504	26%
Interest Expense						
Interest Expense on Deposits	1,274	210	507%	1,274	210	507%
Interest Expense on Borrowings	421	67	528%	421	67	528%
Total Interest Expense	1,695	277	512%	1,695	277	512%
Net Interest Income	11,515	10,227	13%	11,515	10,227	13%
Provision for Credit Losses	-	-	0%	-	-	0%
Net Interest Income After Provision	11,515	10,227	13%	11,515	10,227	13%
Non-Interest Income						
Service Charges, Commissions and Fees	463	670	-31%	463	670	-31%
Other Non-Interest Income	66	494	-87%	66	494	-87%
Total Non-Interest Income	529	1,164	-55%	529	1,164	-55%
Non-Interest Expense						
Salaries and Employee Benefits	4,942	4,310	15%	4,942	4,310	15%
Occupancy and Equipment	905	755	20%	905	755	20%
Other Non-Interest Expense	2,134	1,895	13%	2,134	1,895	13%
Total Non-Interest Expense	7,981	6,960	15%	7,981	6,960	15%
Net Income Before Provision for Taxes	4,063	4,431	-8%	4,063	4,431	-8%
Provision for Taxes	1,090	1,276	-15%	1,090	1,276	-15%
Net Income	\$ 2,973	\$ 3,155	-6%	\$ 2,973	\$ 3,155	-6%
Shares Outstanding	5,763,854	5,696,862	1%	5,763,854	5,696,862	1%
Earnings Per Share - Basic	\$ 0.52	\$ 0.55	-7%	\$ 0.52	\$ 0.55	-7%
Return on Average Assets	0.98%	1.00%	-2%	0.98%	1.00%	-2%
Return on Average Equity	14.22%	15.58%	-9%	14.22%	15.58%	-9%
Net Interest Margin	3.76%	3.22%	17%	3.76%	3.22%	17%

Note> Share data for prior periods has been adjusted to reflect stock dividends

American Riviera Bancorp and Subsidiaries
Five Quarter Statements of Income (unaudited)
(dollars in thousands, except per share data)

	Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Interest Income					
Interest and Fees on Loans	\$ 11,201	\$ 11,081	\$ 10,158	\$ 9,356	\$ 8,600
Fees on PPP Loans	1	-	199	209	913
Net Fair Value Amortization Income	(1)	-	3	(9)	7
Interest on Securities	1,733	1,716	1,539	1,116	842
Interest on Due From Banks	276	1,323	1,046	539	142
Total Interest Income	13,210	14,120	12,944	11,211	10,504
Interest Expense					
Interest Expense on Deposits	1,274	669	266	216	210
Interest Expense on Borrowings	421	169	169	166	67
Total Interest Expense	1,695	838	435	382	277
Net Interest Income	11,515	13,282	12,509	10,829	10,227
Provision for Credit Losses	-	109	122	916	-
Net Interest Income After Provision	11,515	13,173	12,387	9,913	10,227
Non-Interest Income					
Service Charges, Commissions and Fees	463	522	602	672	670
Other Non-Interest Income	66	157	210	20	494
Total Non-Interest Income	529	679	812	692	1,164
Non-Interest Expense					
Salaries and Employee Benefits	4,942	4,948	4,717	4,326	4,310
Occupancy and Equipment	905	856	777	766	755
Other Non-Interest Expense	2,134	2,561	2,260	2,119	1,895
Total Non-Interest Expense	7,981	8,365	7,754	7,211	6,960
Net Income Before Provision for Taxes	4,063	5,487	5,446	3,394	4,431
Provision for Taxes	1,090	1,524	1,645	818	1,276
Net Income	\$ 2,973	\$ 3,963	\$ 3,800	\$ 2,576	\$ 3,155
Shares Outstanding	5,763,854	5,692,161	5,693,820	5,690,710	5,696,862
Earnings Per Share - Basic	\$ 0.52	\$ 0.70	\$ 0.67	\$ 0.45	\$ 0.55
<i>Net Income pre-tax, pre-provision, pre-PPP fees (Non-GAAP)</i>	<i>\$ 4,062</i>	<i>\$ 5,596</i>	<i>\$ 5,369</i>	<i>\$ 4,101</i>	<i>\$ 3,518</i>

Note> Share data for prior periods has been adjusted to reflect stock dividends

American Riviera Bancorp and Subsidiaries
Selected Financial Highlights (unaudited)
(dollars in thousands, except per share data)

	At or for the Three Months Ended				
	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
Income and performance ratios:					
Net Income	\$ 2,973	\$ 3,963	\$ 3,800	\$ 2,576	\$ 3,155
Earnings per share - basic ^(f)	0.52	0.70	0.67	0.45	0.55
Return on average assets	0.98%	1.14%	1.08%	0.75%	1.00%
Return on average equity	14.22%	19.12%	17.26%	11.40%	15.58%
Cost of Funds	0.59%	0.26%	0.16%	0.12%	0.09%
Cost of Deposits	0.45%	0.21%	0.08%	0.07%	0.07%
Net interest margin	3.76%	3.94%	3.69%	3.26%	3.22%
Efficiency ratio ^(b)	65.52%	60.21%	58.58%	62.89%	60.48%
Asset quality:					
Allowance for loan and lease losses	\$ 11,468	\$ 10,626	\$ 10,500	\$ 10,367	\$ 9,394
Nonperforming assets	2,955	3,066	6,337	3,505	2,776
Allowance for credit losses / total loans and leases	1.24%	1.17%	1.18%	1.20%	1.19%
Net charge-offs / average loans and leases (annualized)	0.00%	0.00%	-0.04%	-0.03%	-0.01%
Texas ratio ^(a)	3.01%	3.30%	6.07%	3.94%	2.95%
Capital ratios for American Riviera Bank ^(c):					
Tier 1 risk-based capital	11.96%	11.85%	11.68%	11.85%	12.53%
Total risk-based capital	13.12%	12.89%	12.73%	12.94%	13.59%
Tier 1 leverage ratio	9.67%	8.83%	8.48%	8.29%	8.75%
Capital ratios for American Riviera Bancorp ^(c):					
Tier 1 risk-based capital	10.32%	10.22%	10.05%	10.15%	10.82%
Total risk-based capital	11.48%	11.26%	11.10%	11.24%	11.91%
Tier 1 leverage ratio	8.32%	7.62%	7.29%	7.11%	7.27%
Equity and share related ^(f):					
Common equity	\$ 91,556	\$ 87,096	\$ 82,134	\$ 83,512	\$ 89,673
Book value per share	15.88	15.30	14.43	14.68	15.74
Tangible book value per share	15.03	14.43	13.55	13.79	14.85
Tangible book value per share, excluding AOCI ^(d)	18.68	18.63	17.89	17.18	16.65
Stock closing price per share	16.81	17.00	17.15	17.90	20.58
Number of shares issued and outstanding ^(e)	5,763.85	5,692.16	5,693.82	5,690.71	5,696.86

Notes:

(a) The sum of Nonperforming assets and Other Real Estate Owned, divided by the sum of Total Shareholder Equity and Total Allowance for Loan and Lease Losses (less Preferred Stock and Intangible Assets).

(b) Annualized Operating Expense excluding Loan Loss Provisions minus Annualized Extraordinary Expense, divided by Annualized Interest Income including Loan Fees minus Annualized Interest Expense plus Annualized Non-Interest Income minus Annualized Extraordinary Income, expressed as a percentage.

(c) Current period capital ratios are preliminary.

(d) Accumulated Other Comprehensive Income (AOCI), is comprised of the tax adjusted unrealized loss on securities and is presented as Other Capital on the Balance Sheet.

(e) Prior period number of shares issued and outstanding are adjusted for respective 10% stock dividend recorded as of November 24, 2022.

(f) Share data for prior periods has been adjusted to reflect stock dividends