

American Riviera Bancorp and Subsidiaries

Balance Sheets (unaudited)

(dollars in thousands)

	<u>Jun 30,</u> <u>2023</u>	<u>Jun 30,</u> <u>2022</u>	<u>One Year</u> <u>\$ Change</u>	<u>One Year</u> <u>% Change</u>
Assets				
Cash & Due From Banks	\$ 30,428	\$ 212,675	\$ (182,247)	-86%
Available-for-sale securities	215,951	250,132	(34,181)	-14%
Held-to-maturity securities, net	41,295	-	41,295	100%
Loans	945,389	860,762	84,627	10%
Allowance For Credit Losses	(11,638)	(10,367)	(1,271)	12%
Net Loans	<u>933,751</u>	<u>850,395</u>	<u>83,356</u>	<u>10%</u>
Premise & Equipment	14,842	9,491	5,351	56%
Goodwill and Other Intangibles	4,936	5,025	(89)	-2%
Other Assets	43,851	35,470	8,381	24%
Total Assets	<u>\$ 1,285,054</u>	<u>\$ 1,363,188</u>	<u>\$ (78,134)</u>	<u>-6%</u>
Liabilities & Shareholders' Equity				
Non-interest-bearing Deposits	\$ 442,078	\$ 487,187	\$ (45,109)	-9%
Interest-bearing Deposits	640,359	768,029	(127,670)	-17%
Total Deposits	<u>1,082,437</u>	<u>1,255,216</u>	<u>(172,779)</u>	<u>-14%</u>
Borrowed Funds	98,000	18,000	80,000	444%
Other Liabilities	11,819	6,460	5,359	83%
Total Liabilities	<u>1,192,256</u>	<u>1,279,676</u>	<u>(87,420)</u>	<u>-7%</u>
Common Stock	66,836	56,897	9,939	17%
Retained Earnings	49,324	45,922	3,402	7%
Other Capital	(23,362)	(19,307)	(4,055)	21%
Total Shareholders' Equity	<u>92,798</u>	<u>83,512</u>	<u>9,286</u>	<u>11%</u>
Total Liabilities & Shareholders' Equity	<u>\$ 1,285,054</u>	<u>\$ 1,363,188</u>	<u>\$ (78,134)</u>	<u>-6%</u>

American Riviera Bancorp and Subsidiaries
Balance Sheets (unaudited)

(dollars in thousands)

	<u>June 30,</u> <u>2023</u>	<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>
Assets					
Cash & Due From Banks	\$ 30,428	\$ 64,252	\$ 61,801	\$ 178,882	\$ 212,675
Available-for-sale securities	215,951	223,547	223,281	222,910	250,132
Held-to-maturity securities	41,295	41,274	41,293	41,241	-
Loans	945,389	924,761	907,685	886,208	860,762
Allowance for Credit Losses ^(a)	<u>(11,638)</u>	<u>(11,468)</u>	<u>(10,626)</u>	<u>(10,500)</u>	<u>(10,367)</u>
Net Loans	933,751	913,293	897,059	875,708	850,395
Premise & Equipment	14,842	14,098	12,347	9,649	9,491
Goodwill and Other Intangibles	4,936	4,942	4,947	4,984	5,025
Other Assets	<u>43,851</u>	<u>40,588</u>	<u>40,931</u>	<u>38,033</u>	<u>35,470</u>
Total Assets	<u>\$ 1,285,054</u>	<u>\$ 1,301,994</u>	<u>\$ 1,281,659</u>	<u>\$ 1,371,407</u>	<u>\$ 1,363,188</u>
Liabilities & Shareholders' Equity					
Non-interest-bearing Deposits	\$ 442,078	\$ 460,667	\$ 478,519	\$ 519,796	\$ 487,187
Interest-bearing Deposits	<u>640,359</u>	<u>638,986</u>	<u>685,008</u>	<u>744,052</u>	<u>768,029</u>
Total Deposits	1,082,437	1,099,653	1,163,527	1,263,848	1,255,216
Borrowed Funds	98,000	98,000	18,000	18,000	18,000
Other Liabilities	<u>11,819</u>	<u>12,785</u>	<u>13,036</u>	<u>7,425</u>	<u>6,460</u>
Total Liabilities	1,192,256	1,210,438	1,194,563	1,289,273	1,279,676
Common Stock	66,836	67,411	66,346	57,123	56,897
Retained Earnings	49,324	46,251	44,672	49,722	45,922
Other Capital	<u>(23,362)</u>	<u>(21,075)</u>	<u>(23,922)</u>	<u>(24,711)</u>	<u>(19,307)</u>
Total Shareholders' Equity	92,798	91,556	87,096	82,134	83,512
Total Liabilities & Shareholders' Equity	<u>\$ 1,285,054</u>	<u>\$ 1,301,994</u>	<u>\$ 1,281,659</u>	<u>\$ 1,371,407</u>	<u>\$ 1,363,188</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			Six Months Ended		
	June 30, 2023	Jun 30, 2022	Change	Jun 30, 2023	Jun 30, 2022	Change
Interest Income						
Interest and Fees on Loans	\$ 11,794	\$ 9,347	26%	\$ 22,994	\$ 17,954	28%
Fees on PPP Loans	-	209	-100%	1	1,122	-100%
Interest on Securities	1,792	1,116	61%	3,525	1,957	80%
Interest on Due From Banks	265	539	-51%	541	681	-21%
Total Interest Income	13,851	11,211	24%	27,061	21,714	25%
Interest Expense						
Interest Expense on Deposits	1,965	216	808%	3,239	426	660%
Interest Expense on Borrowings	1,006	166	506%	1,427	233	512%
Total Interest Expense	2,971	382	677%	4,666	659	608%
Net Interest Income	10,880	10,829	0%	22,395	21,055	6%
Provision for Credit Losses	163	916	-82%	163	916	-82%
Net Interest Income After Provision	10,717	9,913	8%	22,232	20,139	10%
Non-Interest Income						
Service Charges, Commissions and Fees	764	672	14%	1,227	1,342	-9%
Other Non-Interest Income	222	20	1012%	289	514	-44%
Total Non-Interest Income	987	692	43%	1,516	1,856	-18%
Non-Interest Expense						
Salaries and Employee Benefits	4,588	4,326	6%	9,529	8,636	10%
Occupancy and Equipment	868	766	13%	1,773	1,521	17%
Other Non-Interest Expense	2,508	2,119	18%	4,643	4,014	16%
Total Non-Interest Expense	7,964	7,211	10%	15,946	14,171	13%
Net Income Before Provision for Taxes	3,740	3,394	10%	7,803	7,824	0%
Provision for Taxes	1,052	818	29%	2,143	2,093	2%
Net Income	\$ 2,687	\$ 2,576	4%	\$ 5,660	\$ 5,731	-1%
Shares Outstanding	5,772,012	5,690,710	1%	5,772,012	5,690,710	1%
Earnings Per Share - Basic	\$ 0.47	\$ 0.45	3%	\$ 0.98	\$ 1.01	-3%
Return on Average Assets	0.85%	0.75%	13%	0.92%	0.95%	-3%
Return on Average Equity	11.84%	11.40%	4%	13.00%	13.41%	-3%
Net Interest Margin	3.51%	3.26%	8%	3.64%	3.30%	10%

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				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Interest Income					
Interest and Fees on Loans	\$ 11,794	\$ 11,200	\$ 11,081	\$ 10,160	\$ 9,347
Fees on PPP Loans	-	1	-	199	209
Interest on Securities	1,792	1,733	1,716	1,539	1,116
Interest on Due From Banks	265	276	1,323	1,046	539
Total Interest Income	13,851	13,210	14,120	12,944	11,211
Interest Expense					
Interest Expense on Deposits	1,965	1,274	669	266	216
Interest Expense on Borrowings	1,006	421	169	169	166
Total Interest Expense	2,971	1,695	838	435	382
Net Interest Income	10,880	11,515	13,282	12,509	10,829
Provision for Credit Losses	163	-	109	122	916
Net Interest Income After Provision	10,717	11,515	13,173	12,387	9,913
Non-Interest Income					
Service Charges, Commissions and Fees	764	463	522	602	672
Other Non-Interest Income	222	66	157	210	20
Total Non-Interest Income	987	529	679	812	692
Non-Interest Expense					
Salaries and Employee Benefits	4,588	4,942	4,948	4,717	4,326
Occupancy and Equipment	868	905	856	777	766
Other Non-Interest Expense	2,508	2,134	2,561	2,260	2,119
Total Non-Interest Expense	7,964	7,981	8,365	7,754	7,211
Net Income Before Provision for Taxes	3,740	4,063	5,487	5,446	3,394
Provision for Taxes	1,052	1,090	1,524	1,645	818
Net Income	\$ 2,687	\$ 2,973	\$ 3,963	\$ 3,800	\$ 2,576
Shares Outstanding	5,772,012	5,763,854	5,692,161	5,693,820	5,690,710
Earnings Per Share - Basic	\$ 0.47	\$ 0.52	\$ 0.70	\$ 0.67	\$ 0.45
<i>Net Income pre-tax, pre-provision, pre-PPP fees (Non-GAAP)</i>	\$ 3,902	\$ 4,062	\$ 5,596	\$ 5,369	\$ 4,101

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				
	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022
Income and performance ratios:					
Net Income	\$ 2,687	\$ 2,973	\$ 3,963	\$ 3,800	\$ 2,576
Earnings per share - basic ^(f)	0.47	0.52	0.70	0.67	0.45
Return on average assets	0.85%	0.98%	1.14%	1.08%	0.75%
Return on average equity	11.84%	14.22%	19.12%	17.26%	11.40%
Cost of Funds	1.02%	0.59%	0.26%	0.16%	0.12%
Cost of Deposits	0.73%	0.45%	0.21%	0.08%	0.07%
Net interest margin	3.51%	3.76%	3.94%	3.69%	3.26%
Efficiency ratio ^(b)	66.97%	65.52%	60.21%	58.58%	62.89%
Asset quality:					
Allowance for credit losses	\$ 11,638	\$ 11,468	\$ 10,626	\$ 10,500	\$ 10,367
Nonperforming assets	2,818	2,955	3,066	6,337	3,505
Allowance for credit losses / total loans and leases	1.23%	1.24%	1.17%	1.18%	1.20%
Net charge-offs / average loans and leases (annualized)	0.00%	0.00%	0.00%	-0.04%	-0.03%
Texas ratio ^(a)	2.83%	3.01%	3.30%	6.07%	3.94%
Capital ratios for American Riviera Bank ^(c):					
Tier 1 risk-based capital	12.02%	11.96%	11.85%	11.68%	11.85%
Total risk-based capital	13.17%	13.12%	12.89%	12.73%	12.94%
Tier 1 leverage ratio	9.95%	9.67%	8.83%	8.48%	8.29%
Capital ratios for American Riviera Bancorp ^(c):					
Tier 1 risk-based capital	10.39%	10.32%	10.22%	10.05%	10.15%
Total risk-based capital	11.54%	11.48%	11.26%	11.10%	11.24%
Tier 1 leverage ratio	8.60%	8.32%	7.62%	7.29%	7.11%
Equity and share related ^(f):					
Common equity	\$ 92,798	\$ 91,556	\$ 87,096	\$ 82,134	\$ 83,512
Book value per share	16.08	15.88	15.30	14.43	14.68
Tangible book value per share	15.22	15.03	14.43	13.55	13.79
Tangible book value per share, excluding AOCI ^(d)	19.27	18.68	18.63	17.89	17.18
Stock closing price per share	15.20	16.81	17.00	17.15	17.90
Number of shares issued and outstanding ^(e)	5,772.01	5,763.85	5,692.16	5,693.82	5,690.71

Notes:

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

(b) Annualized Operating Expense excluding Provision for Credit Losses 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