



AMERICAN RIVIERA
BANK

AMERICAN RIVIERA BANK

Environmental Social & Governance

REPORT 2024



PRESIDENT'S MESSAGE

“American Riviera Bank continues to grow a robust business and consumer banking profile, ending 2023 with \$1.265 billion in total assets.”



Jeff DeVine

As a leading small business lender in San Luis Obispo and Santa Barbara counties, we leverage our deep understanding of the unique needs of local businesses and the communities we serve. We are also proud of our growing footprint throughout California's Central Coast. In 2023, we expanded into Santa Maria, offering a diverse array of products and services, including commercial lending, cash management, digital banking, mortgage and single-family construction financing. I am excited to share that our seventh branch opened in Atascadero this summer (2024). We have hired an experienced team of bankers with deep ties to the community and expertise in serving local businesses. The continued growth of our loan portfolio and expansion into new markets, while many banks are downsizing, demonstrates ARB's strong position in the Central Coast's financial market and our ability to manage resources, foster customer relationships, and provide quality financial services.

This report highlights the enhancements we've implemented to ensure our ongoing resilience. ARB was recognized for Strong Financial Performance by the Findley Reports for the 13th consecutive year, receiving the highest "Super Premier" rating every year since 2016. In April 2023, the Federal Deposit Insurance Corporation (FDIC) acknowledged the Bank's exceptional performance under the Community Reinvestment Act, bestowing upon us an "Outstanding" rating. As you'll see in the following pages, Board members, management, and frontline staff have maintained a commitment to community support, with over 80 of our 139 team members volunteering for various nonprofit organizations, contributing nearly 3,500 volunteer hours in 2023.

Also in 2023, we upgraded our digital banking systems to introduce new capabilities for clients which went into effect in 2024. Recognizing the significant rise in check fraud reported by industry regulators, we have invested heavily in fraud prevention technology to enhance protection for businesses and consumers. Additionally, we are now able to provide faster payment options and online lending capabilities, including Zelle® for small businesses and advanced cash management services, to reduce reliance on paper checks and documents.

Over the past year, our regional economy has shown resilience, driven by a diverse mix of industries, including agriculture, tourism, and tech. We value the Central Coast communities, all who are driving the economy forward. Our team recognizes that proactive community outreach continues to be instrumental in fostering this economic stability, and we are dedicated to ensuring that local businesses and residents have access to a community bank that provides the support necessary to thrive in a dynamic economic environment.



CORPORATE PROFILE



American Riviera Bank was recently recognized for Strong Financial Performance by the Findley Reports for the 13th consecutive year

**unaudited company information as of 3/31/24*

***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; and through open dialogue and transparency in communications, we can create meaningful impact and change.



Joint mixer with **ARB** and **Hispanic Chamber of Commerce** at ARB's new headquarter ribbon cutting



2024 REPORT



ENVIRONMENTAL



SOCIAL



GOVERNANCE



ENVIRONMENTAL RESPONSIBILITY



“Efficiency is not just good for the environment; reducing waste in all areas is a high priority for the Bank and its technology strategy.”

Paul Abramson

Executive Vice President, Chief Technology 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. To date, we have expanded 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*

**Steven Harding, Executive Vice
President, Regional President**
with Morro Bay National
Estuary Program

American Riviera Bank | ESG Report | 2024





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 environmentally focused businesses and causes.Establish a threshold of 3% of total loans supporting 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.\$4.4 million in 2022 and another \$2 million in 2023.
Recycling	<ul style="list-style-type: none">Increase the amount of recycled materials.	<ul style="list-style-type: none">Recycled 2 tons of paper each month.
Reduce Non Compostable Supplies	<ul style="list-style-type: none">100% compostable break room materials.	<ul style="list-style-type: none">Transitioned to PFAS-Free compostable break room supplies in 2023, and reduced single use paper cups by 75% through internal a bring-your-own-mug initiative.
Energy Efficient Facilities	<ul style="list-style-type: none">Replace 75-100% of all lighting with energy efficient LED lights.	<ul style="list-style-type: none">Green Certified office furniture was used in our new administrative center and in our Goleta branch remodel in 2023.75% of all lighting has been replaced with LED lighting as of 12/31/2022.LED lights installed in our new administrative center and during Goleta branch remodel in 2023.
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">Replaced 10% of all hardware with low-power thin clients in 2021 and another 30% in 2022. Low-power equipment now constitutes approximately half of our workstations.Extended average useful life of equipment from 3-6 years through thin client software and virtual desktops.Purchased high capacity lithium ion batteries with increased longevity over lead acid alternatives.Opened two new offices in 2023 using efficient low-carbon footprint computing equipment, and another office in 2024.



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, play a crucial role 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.



“I was excited to learn that American Riviera Bank offers their employees the ability to donate to their favorite nonprofit organizations. While discussing what theme to donate to this year, I was spending most of my Saturdays planting trees at Elings Park with Santa Barbara Bucket Brigade. This influenced me to choose environmentally-friendly nonprofits for our 2023 Employee-Directed Donations.

As a member of this community and a nature enthusiast, I feel a sense of responsibility to keep our beautiful home, beautiful. I am greatly appreciative of the many nonprofits in our area that work tirelessly to protect and restore the nature around us, from oceans to mountain ranges.”

Brandon Vallin AVP Banking Relationship Officer, Leadership and Development Graduate



SUSTAINABLE BANKING

We were proud to fund loans for businesses through our SBA product, CMRE product, and ARIF products to companies focusing on making a positive environmental impact. These organizations are making improvements in sustainability through innovation.

Client-specific environmental initiatives funded by loan's in ARB's portfolio include:



Development of non-thermal sustainable ozone technology



Production of micro-irrigation to conserve water resources



Delivery of green hydrogen freight to accelerate the hydrogen economy



Water treatment filtration and purification, ozone remediation



Bee Better Certified Growers committed to sustainable farming



Veteran-owned company assisting in wildfire control



SUSTAINABLE GIVING

As part of the Employee-Directed Donations Committee, our Leadership Development participants learn valuable skills in outreach, researching nonprofits serving noteworthy causes, communication, organization, and promotion. Annually, each year's cohort determines how funds are allocated to local, deserving nonprofits. This year, the theme was the environment. The goal was to support local organizations that work towards conservation efforts and assist to remedy environmental issues in our communities.

We wished to donate to local groups that help with environmental threats such as pollution, climate change, global warming, waste disposal, deforestation, ocean acidification, and loss of biodiversity.

The Committee chose **ten** worthy local environmental nonprofit organizations based off the nominations submitted to receive \$1,500 each:

Santa Barbara County:

- Santa Barbara Bucket Brigade
- Heal the Ocean
- Santa Barbara Channelkeeper
- Santa Barbara Audubon Society
- Explore Ecology

San Luis Obispo County:

- Sea Otter Savvy
- Central Coast State Parks Association
- Environmental Center of San Luis Obispo
- Morro Bay National Estuary Program
- The Land Conservancy of San Luis Obispo





ENERGY CONSERVATION

Addressing Energy Consumption

We've been successful in redesigning 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. Because of our design, we've been able to scale out quickly and efficiently to new communities, such as our new branches in Santa Maria and Atascadero, and administrative facility on upper State Street in Santa Barbara. 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. Also, 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.

What is E-Waste?



- Electronic waste (e-waste), is any unwanted electronic device or cathode ray tube. E-waste is produced by homes, businesses, government, and industry.
- E-waste can contain hazardous materials such as lead and mercury and is designated a "Universal Waste" in the state of California.
- In California, there is legislation regarding managing e-waste that is regulated and enforced by the Department of Toxic Substances Control and that establishes the Department of Resources Recycling and Recovery (CalRecycle).



SOCIAL RESPONSIBILITY



“As community bankers, we understand that the strength of our local economy is the foundation of a community’s success. By lending our time and effort to one another, we sow the seeds of resilience, unity, and prosperity, ensuring a bright future for all.”

Joanne Funari

Executive Vice President, Chief Operating Officer
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*



Fiesta Celebration featuring **Yatzie Acosta, Vice President, Human Resources Manager, American Riviera Bank** and dance partner, Agustin Camarillo



INAUGURAL LARRY KOPPELMAN HONORARY AWARD (KHA)

After seventeen years of extraordinary leadership as Board Chairperson, Lawrence (Larry) Koppelman, a founder of American Riviera Bank, assumed a board member-at-large position with the Company and Bank. Mr. Koppelman continues to serve as a member of the Compensation and Asset Liability Committees of the Board, and the Company will continue to benefit from his over fifty years of mortgage lending and banking experience.

In honor of Larry's years of service, this year the Bank presented the first annual *Larry Koppelman Honorary Award (KHA)*, which honors an employee of American Riviera Bank who most represents the spirit of service and community in service for the Bank.



2023 Winner

This year's winner was Rechelle Ringer, who has also been with the Bank since its inception. As the winner of the Larry Koppelman Honorary Award, Rechelle selected a nonprofit of her choice to receive a \$1,000 donation and the two presented a check to Transition House.

"I have worked closely with Larry Koppelman for the last 15 years and he has been actively involved in every Board committee and major strategic decision. American Riviera Bank would not be where we are today without Larry's statesmanship, wisdom, and dedication."

Jeff DeVine President and CEO



About Larry Koppelman

Larry served as the American Riviera Bank Chair before the Bank opened and continued to faithfully support the clients, employees, and shareholders in this role for 17 years. Under Larry's leadership, the Bank grew to \$1.4 billion in assets and 130+ employees serving Santa Barbara and San Luis Obispo counties. Larry is known for sharing stories about the power of simply being present, open to opportunities and responsive to the needs of others.

Larry's support of others reaches well beyond the workplace. He is passionate about giving back as evidenced with his involvement in many humanitarian efforts in the USA and internationally. Larry was on the board of Direct Relief for many years and was part of the brainstorming sessions that led to the formation of a program to support the Neighborhood Clinics. Larry hand delivered medical supplies to clinics in Cuba and emphasized the importance of 'people receiving medical supplies regardless of politics, ethnicity or religion.' Larry appreciates travel and the arts, and he and his late wife, Nancy, hosted many UCSB Arts & Lecture and Direct Relief events in their home.



Larry Koppelman and Rechelle Ringer, the 2024 KHA winner, presenting check to Transition House



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 \$390,000 in support of local nonprofits and community initiatives in 2023, exceeding the goal of 3% of net profits of \$10.5 million (3.7%).
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">• 57% of all employees volunteered in support of local nonprofits in 2023, up from 43% in 2022.• More than 80 employees and board members contributed over 3,500 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">• 52% of all business loans made in 2023 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">• 19% of all small business loans originated in 2023 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 all employees, with an average time to promotion of 1.1 years.• Enhanced leadership development program to prepare employees for next step.



COMMUNITY BANKING

Why Community Banking?

The advantage of community banks lies in their local expertise and commitment to supporting the local economy. With deep roots in the regions they serve, community banks understand the unique financial challenges and opportunities faced by individuals and businesses in the area.

Whether it's having insight into the local real estate market, understanding small business financing options, or identifying promising investment opportunities within the community, community banks possess knowledge that enables them to offer specialized services and products that truly cater to the specific needs and financial goals of their customers. Moreover, community banks demonstrate their dedication to the growth and development of local economies. At American Riviera Bank, we vow to keep customer deposits within the local community. Deposits are used as loans to you, your neighbors, and local small businesses, playing a significant role in supporting the local economy.

Banks and credit unions also have deposit insurance, unlike funds that may be stored in nonbank payment companies. The Consumer Financial Protection Bureau warns that payment app companies do not necessarily store customer funds in an insured account through a business arrangement with a bank or credit union. The company's investments carry risk and if it were to fail, customers could lose their funds. With ARB, you have the best of both worlds – FDIC insured deposits with the convenience of payment options such as Zelle® or external transfers.



Access Valuable Resources

Do you know how to calculate your FDIC insurance coverage?

Simply use the FDIC deposit insurance calculator to compute your coverage based on the following:

- Your account ownership categories
- The number of accounts you own
- The number of account owners and beneficiaries



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 determining solutions to finance multi-family properties. 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.

Our Partners



"I appreciate the intricacies of affordable-housing financing and all the layers required to make a deal pencil out. I enjoy being able to help find solutions to bridge funding goals in this community where needs are ever-changing."

Tino Munoz Vice President, Portfolio Manager



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. ARB received over 80 applications under the Middle-Income Assistance Grants program in 2023 alone, and has been able to assist two families achieve the dream of owning a home under the program.

ARB has access to various grants and programs to support first time home buyers, including Middle-Income Downpayment Assistance Grants, through its FHLB membership. The Middle-Income Downpayment Assistance Grant is designed to help families and individuals who qualify as first-time homebuyers, and earn between just over 80% to 140% of the area median income (AMI), purchase a home. Eligible homebuyers who contribute a minimum of \$10,000 could qualify for a grant of up to \$50,000 to apply to their downpayment and closing costs.



Middle Income Downpayment

Up to \$50,000 for families earning up to 140% of area median income.



Find out who can qualify for the Middle-Income Downpayment Assistance Grant program.



"I had the privilege of working with Linda Kestler from American Riviera Bank for my first home purchase and I can't express how grateful I am for her outstanding service. As a first-time homebuyer, I was navigating uncharted waters, and Linda was an absolute lifesaver throughout the entire process."

Sabrina FHLB Grant Recipient



ECONOMIC DEVELOPMENT

At American Riviera Bank, we believe in helping local businesses succeed. Small businesses are the backbone of the Central Coast. They create job opportunities, support our local economies, are involved in the community, and help build our community identity. Lending to small businesses is critical since they represent more than 90 percent of all businesses in Santa Barbara and San Luis Obispo Counties. ARB is proud that in 2022, we originated more loans to small businesses under \$1 million in gross annual revenues than any other bank in the area, lending \$18 million in San Luis Obispo County and \$22 million in Santa Barbara County.

In addition to loans for our own portfolio, our dedicated team members volunteer their time to local Chambers of Commerce and loan committees to promote economic development through financing small businesses. Through California Coastal Rural Development Corporation (Cal Coastal), clients can obtain direct loans and loan guarantees to meet their financial needs. We also partner with organizations such as Women's Economic Ventures to provide loans to small businesses.

Team members volunteer for local Chambers of Commerce, furthering small business interests through lobbying efforts and grant administration and providing input on economic and community development initiatives. REACH is another regional economic action coalition with a goal of creating 15,000 good-paying jobs by 2030, serving the Central Coast region spanning San Luis Obispo and Santa Barbara Counties. Our dedicated employees volunteered more than 160 hours supporting economic development by serving on boards of local chambers, the REACH Coalition, and loan committees in 2023 alone.



“As lenders, we believe in empowering our clients to grow responsibly, nurturing their financial journey with trust, guidance and support every step of the way.”

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



COMMUNITY EDUCATION

An important part of our commitment to our community is as a trusted financial 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

- Transformative Powers of Artificial Intelligence.
- The Influence of Artificial Intelligence on Future Work
- Innovative Solutions for Workforce Development and Careers in Technology
- The Central Coast's Tech Industry





COMMUNITY OUTREACH: SUPPORT

As financial first responders, community banks are in a unique position to shield elderly customers from financial abuse. American Riviera Bank is dedicated to preventing the exploitation of older adults through education, employee training, and partnerships with authorities.

ARB believes that education is the key to prevention and provides content (blogs, podcasts, webinars, online resources), leveraging its reach throughout its seven branches across two counties, to inform banking staff and the community of financial abuse. Staff and bankers are trained to identify exploitation indicators and ARB offers in-person presentations in local forums such as community groups and retirement communities. ARB's close network of law enforcement/agencies results in faster action when fraud is suspected and has helped recover funds on behalf of the victims.

ARB prioritizes elder financial security through the efforts of its Chief Risk Officer who, as a member of the National Adult Protective Services Association and Financial Elder Advocacy Board, leads efforts to educate and inform at-risk seniors on preventing financial abuse. She is an active member in advocacy efforts with both the California Bankers Association and American Bankers Association Senior Protection Taskforce, and serves locally on the Central Coast Scams Against Older and Vulnerable Adults Working Group, a collaborative of banking professionals, FBI, DAs, the FTC, and the BBB.

With online resources serving numerous customers and communities, participation on multi-disciplinary prevention teams, and a dedicated financial abuse advocate, ARB actively leverages its resources to shield its elderly customers from financial abuse.



Laurel Sykes speaking at CLU on Elder Financial Abuse



2023 VOLUNTEER OF THE YEAR

Our 2023 Volunteer of the Year was SVP, Regional Commercial Relationship Manager, Jay Beck. Jay has been actively involved in efforts to preserve housing in downtown San Luis Obispo for many years.

Jay served as the Chairman of the Commission for the Housing Authority of San Luis Obispo until March of 2023 and is currently the Board President for the San Luis Obispo Non-Profit Housing Corporation. He is also a member of the Finance Committee for the Downtown Association and sits on the REACH Advisory Council as one of several community leaders who collaborate and recommend action to the REACH Board, a regional economic action coalition uniting public, private and civic leaders across the Central Coast.

He is also a founding member of the Sandlot Group, which supports youth sports and other activities in our community. He worked alongside several local businesses and residents to raise money and in-kind donations to secure 100 bikes for the local Sheriff to give away during the holiday season. As part of the Peaks for Peak fundraising event, the Thorshov family and Sandlot Group of San Luis Obispo each provided \$6,000 dollars in matching funds, along with another \$1,000 from Central Coast Pediatrics. Promoting Extracurricular Activities for Kids (PEAK) Programs provide registration assistance and PEAK funds for youth sports and SLO City and YMCA programs to participate in activities, including sports like swimming and football, as well as gymnastics, dance, or music lessons.



“I’m most passionate about programs that support our children.” In support of this personal mission, he is a member of the SLO Repertory Theatre Board of Directors, sitting on several committees. One of the organization’s key youth programs is the Academy of Creative Theatre (ACT), an education and training program offering year-round classes, camps, and performance opportunities for young artists ages 3-18, ranging from beginners to advanced training.”

Jay Beck Regional Commercial Relationship Manager



OUR TEAM, OUR COMMUNITY

The San Luis Obispo Branch hosted Edna 4-H Club's "Herd" in our lobby window. Edna 4-H has been displaying the "Herd" at local businesses in SLO in honor of National 4-H Week. The herd is photographed at each business and posted to social media to celebrate 4-H this week!

A little bit about 4-H:

4-H is the largest national youth development organization dedicated to empowering nearly six million young individuals with lifelong leadership skills. These skills include effective communication and public speaking as well as encouraging members to take on new activities, such as exhibiting animals at fairs, woodworking, gardening and much more. 4-H teaches young leaders the tools to contribute meaningfully to their school and community while preparing them for a successful future.

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.



Halloween 2023



Annual SB City Firefighters Golf Classic



4-H Presenting Mid State Fair Projects



Alzheimer Walk 2023



EMPLOYEE LEADERSHIP DEVELOPMENT GROUP

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

As part of the Employee-Directed Donations Committee, Leadership Development participants learn valuable skills in outreach, researching nonprofits serving noteworthy causes, communication, organization, and promotion. Annually, each year's cohort determines how funds are allocated to local, deserving nonprofits. To ensure continuity in the Employee-Directed Donations process, a prior year graduate acts as a consultant to the new cohort in organizing, scheduling, and carrying out the gifting.

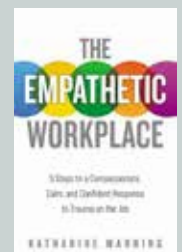
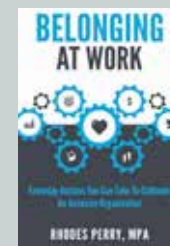


2023 Employee Leadership Development Group Graduates



To-date, over 40% of our current employees have graduated from the Bank's Leadership Development Program.

Engaging in career development and encouraging our employees to have a voice in the organization are fundamental to our values and how we build commitment and support our communities.





DIVERSITY, EQUITY & INCLUSION

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

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

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.



“American Riviera Bank’s DEI Committee just celebrated it’s second anniversary. I am proud to see how important this committee is to the Bank, since a diverse workplace acknowledges the individual strengths and potential that every employee can bring to the table. By encouraging each other to value our differences, we are fostering success, a thriving workplace, and fair work culture for everyone.”

Alex Torres Assistant, Credit Assistant Supervisor



INTERNAL PROMOTIONS: PASO ROBLES



Heidi Cummings – promoted to **Regional Branch Manager**

“Working at American Riviera Bank has been an incredible experience. The Bank’s commitment to employee development and providing opportunity is extraordinary. I’m extremely proud to work for an organization that invests so much in their employees, communities, and clients. ARB encourages a team environment which fosters growth across all lines of business. I have the privilege to work with many talented individuals which has contributed to my continued growth and development.”



Julie Ezzo – promoted to **Assistant Vice President, Branch Manager**

“After our youngest daughter graduated, I felt it was time to get back to work. American Riviera gave me this opportunity even with several years out of banking. I am beyond thankful for the opportunity that got me to where I am today. I am always encouraged to learn more and complete as much training as possible to gain banking knowledge. My roles as Teller, Mentor, Teller Champion, Assistant Service Manager all has led me to my current promotion as Branch Manager. My gratitude is profound, and I am honored to be a part of an organization that believes in their employees. Thank you American Riviera and those who have believed in me.”



Chymah Sadat – promoted to **Assistant Service Manager**

“This promotion is a reflection not just of my professional journey but also of the supportive environment here that values a work-life balance. This company has given me the flexibility and support to excel at work while also being present in my most important role- being a mother. It’s a privilege to work in a place where I can advance my career and embrace the joys of motherhood.”



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 2023 ARB Intern

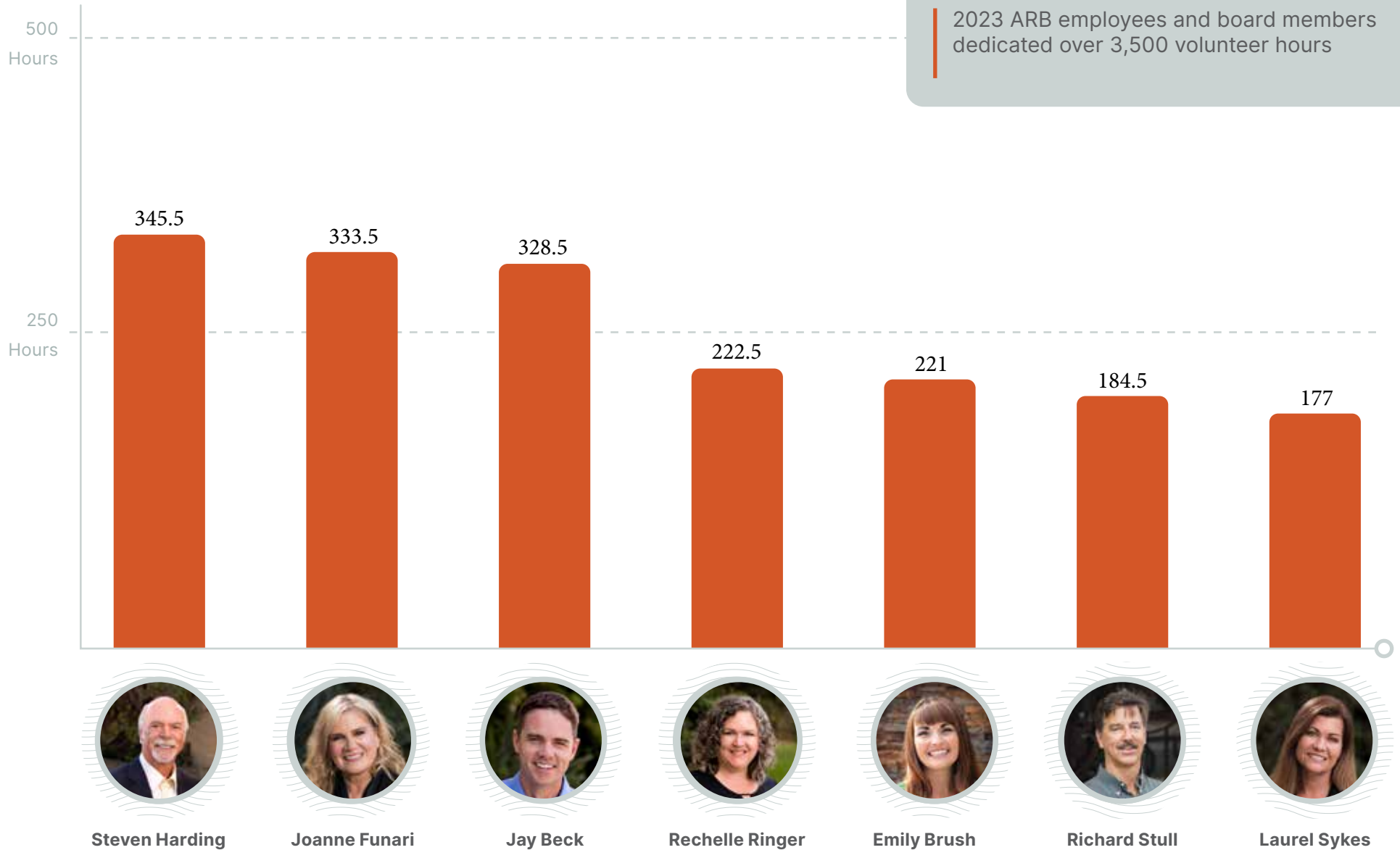


“Starting as an intern at American Riviera Bank was a remarkable opportunity, allowing me to gain hands-on experience, build valuable connections, and learn from seasoned professionals. The journey from intern to employee has been incredibly rewarding and I am excited about my career in banking. I look forward to continuing to grow my experience and connections with American Riviera Bank.”

Madison Wineman 2023 ARB Intern



EMPLOYEE VOLUNTEERISM





2023 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:



Kristen Desmond – Core Values

"I am incredibly grateful to have received the WOW award from my co-workers. It means a lot to me to be recognized by such an amazing team. Their support and encouragement inspire me to do my best, and this award is a testament to the fact that we all play a part in the Bank's success."

Working at American Riviera Bank is a true pleasure. Thank you again for this honor and for making our workplace such a positive and motivating environment!"

Additional Award Winners



Joseph Menez
Team Player



Heather Watters
Innovator



Darren Doi
Mentor/Leader



Jay Beck
Outstanding
Volunteer



Tino Muñoz
Outstanding
Volunteer



Tamara Rodriguez
Responsive



Ariana Corona
Reliable



GOVERNANCE



“I was honored to be elected by my peers to this important role and stand ready to lead this experienced and diverse board. American Riviera Bank has built a strong franchise on the Central Coast of California, and I look forward to building on this legacy.”

Darren D. Caesar

Elected Board Chair, 2023



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*



Joe Howell, Director of American Riviera Bank,
honored at Santa Barbara Foundation's 80th
Person of the Year



WHERE WE ARE & WHERE WE ARE GOING

Focus	Goals	Progress to-date
Commitment to Diversity in Leadership	<ul style="list-style-type: none">• Maintain diversity in leadership that meets or exceeds employee availability as reported by the EEOC.	<ul style="list-style-type: none">• Achieved diversity of 44% across all management positions compared to market availability of 43%.• Maintained female management of 59%.• 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">• Published third annual ESG report in 2024.• Hired a new manager of internal audit.
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">• 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	<ul style="list-style-type: none">• 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 13th 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.



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.

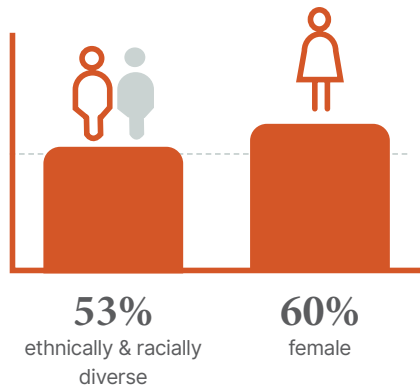
We get the job done.

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

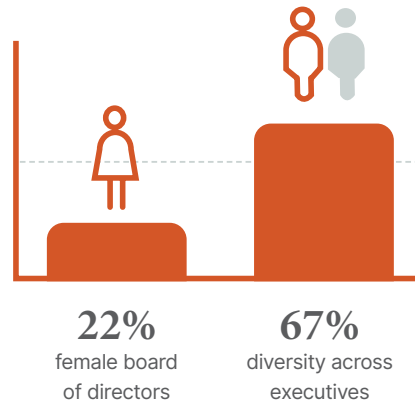


DEI & EXPERTISE

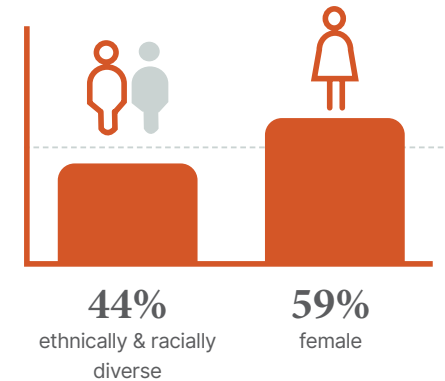
ARB Overall



ARB Board & Executive



ARB Management



Board Member Spotlight: Stephanie Olson, CRCM

With a strong background in commercial lending, Stephanie Olson attained the designation of Certified Regulatory Compliance Manager before being promoted to the Bank's Risk Officer in 2016. In 2018, she accepted a position at Citizens Business Bank as the Santa Barbara Center Manager. The Bank was thrilled to have Stephanie rejoin the Bank as First Vice President and Audit Manager in April 2023. She continues to act as a catalyst for change, improving our governance with a level of dedication and professionalism that inspires others.



"The Bank's ESG principles resonate with my own personal values, such as sustainability, social responsibility, and ethical governance. Being part of a workplace that values ESG provides an added sense of meaning to the work we accomplish."

Stephanie Olson, CRCM



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, and 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 that 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 13 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.



Our Financials

Scan this code or visit
Investor Relations at
americanrivierabank.com



"ARB lends within the communities we serve to clients who 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



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Truecommunity banking



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