

**FOR IMMEDIATE RELEASE**

**American Riviera Bank Reports Rising Net Interest Margin**

**Santa Barbara, California (July 17, 2009)** – American Riviera Bank (OTC BB: ARBV.OB) today announced strong improvement in the net interest margin and continued growth of the Bank.

As a result of efforts to deploy excess liquidity into loan growth, American Riviera Bank was able to improve the net interest margin to 3.95% for the quarter ended June 30, 2009 (2Q2009), from 3.38% for the quarter ended March 31, 2009 (1Q2009). The Bank reported total loans of \$103.7 million as of 2Q2009, an increase of 33% or \$25.5 million, from June 30, 2008 (2Q2008). The Bank's sustained focus on deposit growth resulted in total deposits of \$103.8 million as of 2Q2009, an increase of 58% or \$38.1 million, from 2Q2008.

Despite the struggling economy and real estate market, the Bank continues to have no loans past due greater than 30 days, no non-accrual loans and no loan charge-offs in 2Q2009. In response to the weakness in the economy, the Bank increased its monitoring and testing of the loan portfolio by engaging an external consultant to review a significant sample of loans with particular emphasis on large dollar and real estate secured loans. Several loan relationships were identified for increased monitoring and current appraisals were ordered for all real estate secured loans in these relationships. The Bank recorded loan loss provision of \$326,000 this quarter, compared to \$47,000 in 1Q2009, thereby increasing the loan loss allowance to total loan ratio to 1.38% at 2Q2009 as compared to 1.20% at 1Q2009. Management believes the allowance for loan losses at 2Q2009 is adequate to provide for probable losses inherent in the loan portfolio based on the historical performance of the loan portfolio to date and the extensive monitoring and testing recently performed.

The Bank's unaudited adjusted net income for 2Q2009 excluding the provision for loan loss was \$222,000. After loan loss provision and an additional \$55,000 of expense related to the FDIC special assessment, the Bank recorded an unaudited net loss of \$104,000 for 2Q2009.

The Bank did not apply for or accept TARP or any other government subsidized capital infusions, and continues to maintain a strong capital position with a Tier 1 Leverage ratio of 14.98% at 2Q2009, well above the regulatory guideline of 5% for well capitalized institutions and 8% for de novo institutions.

Jeff DeVine, President and Chief Executive Officer stated, "We are very pleased with the growth in deposits and loans. In addition, our efforts to deploy excess liquidity into high-quality, local loans has resulted in a dramatic increase in our net interest margin that will benefit the Bank on a go forward basis. The provisioning for potential loan losses is necessary during these difficult economic times and may need to continue into the third quarter of 2009."

## Company Profile

American Riviera Bank is a full service community bank, focused on serving the lending and deposit needs of businesses and consumers in our community. The Bank was founded in 2006 by over 400 local shareholders and has one branch located at 1033 Anacapa Street in downtown Santa Barbara.

American Riviera Bank  
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