

FOR IMMEDIATE RELEASE

American Riviera Bank Recognizes Deferred Tax Assets

Santa Barbara, California (October 25, 2011) – American Riviera Bank (OTC BB: ARBV.OB) reported record year-to-date net income of \$2,953,000 (\$1.18 per share) and pre-tax earnings of \$1,135,000 (\$0.45 per share) for the nine months ended September 30, 2011; compared to \$931,000 (\$0.37 per share) of pre-tax earnings for the same period one year ago. A primary factor in the increased net income was recognition of \$1,818,000 in federal and state tax benefits made possible by reversal of a valuation allowance on the deferred tax assets.

Jeff DeVine, President and Chief Executive Officer stated: “Even excluding this extraordinary event, the Bank has generated year-to-date pre-tax earnings exceeding those of last year by \$204,000. With our track record of eight consecutive quarters of profitability, strong net interest margin, and stable expense levels; management determined that the deferred tax assets were more likely than not to be utilized and recognized the benefit.”

American Riviera Bank reported a record quarterly net interest margin of 5.36%, a significant increase from the previous quarter of 4.55%. This increase in net interest margin is due to the combined effect of continued growth of relationship checking accounts and deployment of liquidity into loans during the quarter. The Bank reported \$108 million in deposits at September 30, 2011, with \$21 million in non-interest bearing checking accounts, a 47% increase from one year ago. As of September 30, 2011, the Bank reported total loans outstanding of \$101 million, a 4% increase from the previous quarter end.

Management and the Board of Directors believe the allowance for loan losses at 2.37% of total loans is adequate at September 30, 2011, and therefore, did not record any loan loss provision in the third quarter of 2011. As part of the Bank’s normal monitoring of its loan portfolio, valuations on real estate collateral sale dependent loans are updated throughout the year via appraisal. Certain appraisals are scheduled to be received in the fourth quarter of 2011. No loan loss provision expense has been necessary year-to-date. However, based on local real estate market data continually monitored by the Bank, some level of loan loss provisioning in the fourth quarter of 2011 is likely to address potential reduced market values.

The Bank reported record unaudited pre-tax earnings for the quarter ended September 30, 2011 of \$433,000. The Bank continues to maintain a strong capital position with Tier 1 capital to total assets of 15% as of September 30, 2011, well above the regulatory guideline of 5% for well capitalized institutions. The tangible book value of one share of American Riviera Bank stock is \$8.72 at September 30, 2011, an increase from \$7.81 as of June 30, 2011.

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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