

FOR IMMEDIATE RELEASE

American Riviera Bank Reports Record Quarter

Santa Barbara, California (January 21, 2010) – American Riviera Bank (OTC BB: ARBV.OB) announced today that the Bank had its most successful quarter ever, with an unaudited net income of \$328,000 and an annualized return on assets of 0.93% for the quarter ending December 31, 2009.

Jeff DeVine, President and Chief Executive Officer stated, “As anticipated in last quarter’s press release, the steps we took in 2009 have positioned the Bank for this solid quarterly profit and continued positive performance in 2010. Our earnings this quarter were not based upon extraordinary items, but instead were made possible by expanding our client base, increasing our net interest margin, and disciplined cost control.”

The Bank reported deposit growth of 25% in 2009, ending the year at \$105.6 million in total deposits, with an impressive 43% increase in core deposits as compared to 2008. Loans grew 22% to \$105.9 million, as compared to the same period in the prior year. Loan and deposit growth was balanced which led to the Bank holding a strong cushion of \$24.7 million in liquid assets at December 31, 2009. The Bank’s net interest margin was 4.35% for the quarter ended December 31, 2009, up from 4.15% for the quarter ended September 30, 2009. For the year ended December 31, 2009, the Bank reported a net interest margin of 3.97%, well above the State Chartered Bank average as of September 30, 2009 of 3.20%. The Bank reported \$5.0 million in net interest income for the year ended December 31, 2009, a 37% increase compared to the same period last year.

As previously reported, the Bank made meaningful additions to its allowance for loan losses during 2009 and this resulted in a 2.43% reserve to total loans as of December 31, 2009. 78% of the \$2.6 million reserve is general and is unrelated to specific loans, but rather is attributable to our heightened awareness of economic factors. In the second half of 2009, the Bank had an increase in problem loans, ending the year with \$8.6 million in non-accrual and \$2.2 million in other real estate owned. All carrying values for non-accrual loans and other real estate owned are supported by recent appraisals and impairment, if any, has already been charged-off in conformity with the Bank’s accounting policies. Subsequent to year end, the Bank received a \$4.1 million pay-off on a non-accrual loan, reducing non-accrual loans to \$4.6 million and resulting in a \$152,000 recovery, which will be recognized in the first quarter of 2010.

The Banks unaudited net income for the quarter ended December 31, 2009 of \$328,000 includes \$136,000 in provision for loan losses and a \$70,000 reduction in the fair value of other real estate owned. For the year ended December 31, 2009, the Bank reported an unaudited net loss of \$1.9 million which includes \$2.7 million in provision for loan loss and \$382,000 in reductions to the fair value of other real estate owned. The Bank continues to maintain a strong capital position with Tier 1 capital to total assets of 13% as of December 31, 2009, well above the regulatory guideline of 5% for well capitalized institutions.

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.

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