

**American River Bankshares**  
**Analysis of Net Interest Margin on Earning Assets**  
(Taxable Equivalent Basis)

(Dollars in thousands, except share and per share data)

| <b>For the Year ended December 31,</b>     | <b>2009</b>        |                  |                  | <b>2008</b>        |                  |                  |
|--|--------------------|------------------|------------------|--------------------|------------------|------------------|
| <b>ASSETS</b>                              | <b>Avg Balance</b> | <b>Interest</b>  | <b>Avg Yield</b> | <b>Avg Balance</b> | <b>Interest</b>  | <b>Avg Yield</b> |
| Loans and leases                           | \$ 404,539         | \$ 25,378        | 6.27%            | \$ 410,293         | \$ 28,512        | 6.95%            |
| Taxable investment securities              | 67,480             | 2,763            | 4.09%            | 79,675             | 3,711            | 4.66%            |
| Tax-exempt investment securities           | 22,541             | 1,215            | 5.39%            | 27,102             | 1,428            | 5.27%            |
| Corporate stock                            | 28                 | 6                | 21.43%           | 172                | 22               | 12.79%           |
| Federal funds sold                         | 11                 | -                | -                | 486                | 10               | 2.06%            |
| Interest-bearing deposits in banks         | 1,603              | 59               | 3.68%            | 4,838              | 222              | 4.59%            |
| <b>Total earning assets</b>                | <u>496,202</u>     | <u>29,421</u>    | 5.93%            | <u>522,566</u>     | <u>33,905</u>    | 6.47%            |
| Cash & due from banks                      | 41,064             |                  |                  | 19,260             |                  |                  |
| Other assets                               | 42,208             |                  |                  | 39,330             |                  |                  |
| Allowance for loan & lease losses          | (7,001)            |                  |                  | (6,110)            |                  |                  |
|  | <u>\$ 572,473</u>  |                  |                  | <u>\$ 575,046</u>  |                  |                  |
| <br><b>LIABILITIES &amp; SHAREHOLDERS'</b> |                    |                  |                  |                    |                  |                  |
| <b>EQUITY</b>                              |                    |                  |                  |                    |                  |                  |
| Interest checking and money market         | \$ 163,141         | \$ 1,375         | 0.84%            | \$ 164,531         | \$ 1,929         | 1.17%            |
| Savings                                    | 34,392             | 229              | 0.67%            | 36,033             | 324              | 0.90%            |
| Time deposits                              | 137,601            | 2,399            | 1.74%            | 121,479            | 3,648            | 3.00%            |
| Other borrowings                           | 49,745             | 1,087            | 2.19%            | 59,560             | 1,727            | 2.90%            |
| <b>Total interest bearing liabilities</b>  | <u>384,879</u>     | <u>5,090</u>     | 1.32%            | <u>381,603</u>     | <u>7,628</u>     | 1.99%            |
| Noninterest bearing demand deposits        | 117,594            |                  |                  | 126,125            |                  |                  |
| Other liabilities                          | 4,993              |                  |                  | 6,234              |                  |                  |
| <b>Total liabilities</b>                   | <u>507,466</u>     |                  |                  | <u>513,962</u>     |                  |                  |
| <b>Shareholders' equity</b>                | <u>65,007</u>      |                  |                  | <u>61,084</u>      |                  |                  |
|  | <u>\$ 572,473</u>  |                  |                  | <u>\$ 575,046</u>  |                  |                  |
| <b>Net interest income &amp; margin</b>    |                    | <u>\$ 24,331</u> | <u>4.90%</u>     |                    | <u>\$ 26,277</u> | <u>5.03%</u>     |

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(Taxable Equivalent Basis)

(Dollars in thousands, except share and per share data)

| <b>Three months ended December 31,</b>            | <b>2009</b>        |                 |                  | <b>2008</b>        |                 |                  |
|---|--------------------|-----------------|------------------|--------------------|-----------------|------------------|
| <b>ASSETS</b>                                     | <b>Avg Balance</b> | <b>Interest</b> | <b>Avg Yield</b> | <b>Avg Balance</b> | <b>Interest</b> | <b>Avg Yield</b> |
| Loans and leases                                  | \$ 390,042         | \$ 5,994        | 6.10%            | \$ 417,945         | \$ 7,040        | 6.70%            |
| Taxable investment securities                     | 78,365             | 717             | 3.63%            | 66,354             | 765             | 4.59%            |
| Tax-exempt investment securities                  | 17,213             | 234             | 5.39%            | 26,025             | 354             | 5.41%            |
| Corporate stock                                   | 28                 | -               | -                | 43                 | -               | -                |
| Federal funds sold                                | -                  | -               | -                | 321                | 1               | 1.24%            |
| Interest-bearing deposits in banks                | -                  | -               | -                | 4,529              | 46              | 4.04%            |
| <b>Total earning assets</b>                       | <b>485,648</b>     | <b>6,945</b>    | <b>5.67%</b>     | <b>515,217</b>     | <b>8,206</b>    | <b>6.34%</b>     |
| Cash & due from banks                             | 63,181             |                 |                  | 19,720             |                 |                  |
| Other assets                                      | 39,718             |                 |                  | 39,904             |                 |                  |
| Allowance for loan & lease losses                 | (7,987)            |                 |                  | (6,272)            |                 |                  |
|   | <b>\$ 580,560</b>  |                 |                  | <b>\$ 568,569</b>  |                 |                  |
| <br><b>LIABILITIES &amp; SHAREHOLDERS' EQUITY</b> |                    |                 |                  |                    |                 |                  |
| Interest checking and money market                | \$ 181,509         | \$ 368          | 0.80%            | \$ 157,941         | \$ 407          | 1.03%            |
| Savings   | 35,833             | 57              | 0.63%            | 34,135             | 79              | 0.92%            |
| Time deposits                                     | 138,009            | 502             | 1.44%            | 121,492            | 793             | 2.60%            |
| Other borrowings                                  | 32,234             | 213             | 2.62%            | 64,961             | 394             | 2.41%            |
| <b>Total interest bearing liabilities</b>         | <b>387,585</b>     | <b>1,140</b>    | <b>1.17%</b>     | <b>378,529</b>     | <b>1,673</b>    | <b>1.76%</b>     |
| Noninterest bearing demand deposits               | 123,010            |                 |                  | 121,726            |                 |                  |
| Other liabilities                                 | 698                |                 |                  | 6,297              |                 |                  |
| <b>Total liabilities</b>                          | <b>511,293</b>     |                 |                  | <b>506,552</b>     |                 |                  |
| <b>Shareholders' equity</b>                       | <b>69,267</b>      |                 |                  | <b>62,017</b>      |                 |                  |
|   | <b>\$ 580,560</b>  |                 |                  | <b>\$ 568,569</b>  |                 |                  |
| <b>Net interest income &amp; margin</b>           |                    | <b>\$ 5,805</b> | <b>4.74%</b>     |                    | <b>\$ 6,533</b> | <b>5.04%</b>     |