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AMERICAN RIVER BANKSHARES
Form DEF 14A
April 26, 2005

SCHEDULE 14A
(Rule 14A-101)

INFORMATION REQUIRED IN PROXY STATEMENT

SCHEDULE 14A INFORMATION
Proxy Statement Pursuant to Section 14(a) of the Securities
Exchange Act of 1934

Filed by the Registrant
Filed by a Party other than the Registrant

Check the appropriate box:

- Preliminary Proxy Statement Confidential, for Use of the Commission Only (as permitted by Rule 14a-6(e)(2))
- Definitive Proxy Statement
- Definitive Additional Materials
- Soliciting Material under Rule 14a-12

AMERICAN RIVER BANKSHARES

(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Registrant)

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- No fee required.
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(4) Date Filed:

AMERICAN RIVER BANKSHARES

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS
May 19, 2005

TO THE SHAREHOLDERS OF AMERICAN RIVER BANKSHARES:

NOTICE IS HEREBY GIVEN that, pursuant to the call of its Board of Directors, the Annual Meeting of Shareholders (the "Meeting") of American River Bankshares (the "Company") will be held on Thursday, May 19, 2005 at 5:30 p.m., at the Point West Branch Office, located at 1545 River Park Drive, Suite 107, Sacramento, California 95815 for the purpose of considering and voting upon the following matters:

1. Election of Directors. To elect the following two (2) nominees to the Board of Directors:

Michael A. Ziegler to a one-year term until the 2006 Annual Meeting of Shareholders, and Roger J. Taylor, D.D.S. to a two-year term until the 2007 Annual Meeting of Shareholders.

2. Ratification of Independent Public Accountants. To ratify the appointment of Perry-Smith LLP as independent public accountants for the 2005 fiscal year.
3. Other Business. To transact such other business as may properly come before the Meeting and any postponements or adjournments thereof.

Article III, Section 3.3 of the bylaws of the Company provides for the nomination of directors in the following manner:

"Nominations for election of members of the board may be made by the board or by any holder of any outstanding class of capital stock of the corporation entitled to vote for the election of directors. Notice of intention to make any nominations (other than for persons named in the notice of the meeting called for the election of directors) shall be made in writing and shall be delivered or mailed to the president of the corporation by the later of: (i) the close of business twenty-one (21) days prior to any meeting of shareholders called for the election of directors; or (ii) ten (10) days after the date of mailing of notice of the meeting to shareholders. Such notification shall contain the following information to the extent known to the notifying shareholder: (a) the name and address of each proposed nominee; (b) the principal occupation of each proposed nominee; (c) the number of shares of capital stock of the corporation owned by each proposed nominee; (d) the name and residence address of the notifying shareholder; (e) the number of shares of capital stock of the corporation owned by the notifying shareholder; (f) the number of shares of capital stock of any bank, bank holding company, savings and loan association, or other depository institution owned beneficially by the nominee or by the notifying shareholder and the identities and locations of any such institutions; and (g) whether the proposed nominee has ever been convicted of or pleaded nolo contendere to any criminal offense involving dishonesty or

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breach of trust, filed a petition in bankruptcy or been adjudged bankrupt. The notification shall be signed by the nominating shareholder and by each nominee, and shall be accompanied by a written consent to be named as a nominee for election as a director from each proposed nominee. Nominations not made in accordance with these procedures shall be disregarded by the chairperson of the meeting, and upon his or her instructions, the inspectors of election shall disregard all votes cast for each such nominee. The foregoing requirements do not apply to the nomination of a person to replace a proposed nominee who has become unable to serve as a director between the last day for giving notice in accordance with this paragraph and the date of election of directors if the procedure called for in this paragraph was followed with respect to the nomination of the proposed nominee."

The Board of Directors has fixed the close of business on April 7, 2005 as the record date for determination of shareholders entitled to notice of, and to vote at, the Meeting and any postponements or adjournments thereof.

BY ORDER OF THE BOARD OF DIRECTORS

/s/ STEPHEN H. WAKS

Stephen H. Waks, Esq.
Corporate Secretary

Dated: April 26, 2005

PLEASE SIGN AND RETURN THE ENCLOSED PROXY CARD AS PROMPTLY AS POSSIBLE AND INDICATE IF YOU WILL ATTEND THE MEETING IN PERSON.

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Mailed to Shareholders
on or about April 26, 2005

AMERICAN RIVER BANKSHARES
PROXY STATEMENT
FOR
ANNUAL MEETING OF SHAREHOLDERS
May 19, 2005

INTRODUCTION

This Proxy Statement is furnished in connection with the solicitation of Proxies for use at the 2005 Annual Meeting of Shareholders (the "Meeting") of American River Bankshares (the "Company") to be held on Thursday, May 19, 2005 at 5:30 p.m., at the Point West Branch Office, located at 1545 River Park Drive, Suite 107, Sacramento, California 95815 and at any and all postponements or adjournments thereof. Only shareholders of record on April 7, 2005 (the "Record Date") will be entitled to notice of the Meeting and to vote at the Meeting. At the close of business on the Record Date, the Company had outstanding and entitled to be voted 5,351,299 shares of the Company's no par value common stock.

Revocability of Proxies

A Proxy Card for voting your shares at the Meeting is enclosed. Any shareholder who executes and delivers such Proxy has the right to and may revoke

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it at any time before it is exercised by filing with the Secretary of the Company an instrument revoking it or a duly executed Proxy bearing a later date. In addition, a Proxy will be revoked if the shareholder executing such Proxy is in attendance at the Meeting and such shareholder votes in person. Subject to such revocation, all shares represented by a properly executed Proxy received in time for the Meeting will be voted by the Proxyholders in accordance with the instructions specified on the Proxy Card.

Unless otherwise directed in the accompanying Proxy Card, the shares represented by your executed Proxy will be voted "FOR" the nominees for election of directors named herein and "FOR" the ratification of Perry-Smith LLP as independent public accountants. If any other business is properly presented at the Meeting, the Proxy will be voted in accordance with the recommendations of management.

Solicitation of Proxies

This solicitation of Proxies is being made by the Board of Directors of the Company. The expenses of preparing, assembling, printing, and mailing this Proxy Statement and the materials used in this solicitation of Proxies will be borne by the Company. It is contemplated that Proxies will be solicited principally through the use of the mail, but directors, officers, and employees of the Company may solicit Proxies personally or by telephone, without receiving special compensation. The Company will reimburse banks, brokerage houses and other custodians, nominees and fiduciaries for their reasonable expenses in forwarding these Proxy materials to shareholders whose stock in the Company is held of record by such entities. In addition, the Company may use the services of individuals or companies it does not regularly employ in connection with this solicitation of Proxies, if management determines it is advisable.

Voting Securities

On any matter submitted to the vote of the shareholders, each holder of common stock will be entitled to one vote, in person or by Proxy, for each share of common stock he or she held of record on the books of the Company as of the Record Date.

A majority of the shares entitled to vote, represented either in person or by a properly executed Proxy, will constitute a quorum at the Meeting. If, by the time scheduled for the Meeting, a quorum of shareholders of the Company is not present or if a quorum is present but sufficient votes in favor of any of the proposals have not been received, the Meeting may be held for purposes of voting on those proposals for which sufficient votes have been received, and the persons named as proxyholders may propose one or more adjournments of the Meeting to permit further solicitation of Proxies with respect to any of the proposals as to which sufficient votes have not been received.

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Votes cast by Proxy or in person at the Meeting will be counted by the Inspectors of Election for the Meeting. The Inspectors will treat abstentions and "broker non-votes" (shares held by brokers or nominees as to which instructions have not been received from the beneficial owners or persons entitled to vote and the broker or nominee does not have discretionary voting power under applicable rules of the stock exchange or other self-regulatory organization of which the broker or nominee is a member) as shares that are present and entitled to vote for purposes of determining the presence of a quorum. Abstentions and "broker non-votes" will not be counted as shares voted for purposes of determining the outcome of any matter as may properly come

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before the Meeting.

SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT

As of the Record Date, April 7, 2005, no individual known to the Company owned more than five percent (5%) of the outstanding shares of its common stock, except as described below.

Title of Class	Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (1)
Common Stock	Keefe Managers, LLC 375 Park Avenue, 23rd Floor New York, New York 10152	313,135	5.9%

(1) Percentage calculated based on 5,351,299 shares outstanding as of the Record Date.

The following table sets forth information as of April 7, 2005, concerning the equity ownership of the Company's directors, director nominees, American River Bank directors, and the executive officers named in the Summary Compensation Table, and directors, director nominees, American River Bank directors, and executive officers as a group. Unless otherwise indicated in the notes to the table, each director, American River Bank director, and executive officer listed below possesses sole voting power and sole investment power for the shares of the Company's common stock listed below. All of the shares shown in the following table are owned both of record and beneficially except as indicated in the notes to the table. The table does not include former Director Wayne C. Matthews, M.D., who retired on May 20, 2004. The Company has only one class of shares outstanding, common stock. Management is not aware of any arrangements which may, at a subsequent date, result in a change of control of the Company.

Name and Address (1) of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class (2)
Kevin B. Bender	22,081 (5)	0.4%
Amador S. Bustos	6,857	0.1%
Raymond F. Byrne	1,119 (6)	0.0%
Mitchell A. Derenzo	47,306 (7)	0.9%
Charles D. Fite	109,634 (8)	2.0%
Robert J. Fox	10,515	0.2%
Sam J. Gallina (3)	95,043 (9)	1.8%
Gregory N. Patton	19,830 (10)	0.4%
William A. Robotham	58,039 (11)	1.1%
Larry D. Standing	26,462	0.5%
David T. Taber	117,919 (12)	2.2%
Roger J. Taylor, D.D.S.	75,487 (13)	1.4%
Douglas E. Tow	23,937 (14)	0.4%
Stephen H. Waks	52,725 (15)	1.0%
Philip A. Wright (4)	48,343 (16)	0.9%
Richard P. Vinson (4)	15,411	0.3%
Michael A. Ziegler	5,667 (17)	0.1%
All directors, director nominees, and executive officers as a group (17 persons)	736,375 (18)	13.4%

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- (1) The address for all persons listed is c/o American River Bankshares, 1545 River Park Drive, Suite 107, California, 95815.
- (2) Includes shares of Common Stock subject to stock options exercisable within 60 days of the record date.
- (3) Mr. Gallina will resign his position upon expiration of his term effective May 19, 2005.
- (4) Mr. Wright and Mr. Vinson are directors of the Company's subsidiary, American River Bank.
- (5) Includes 15,964 shares which Mr. Bender has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (6) Includes 1,023 shares which Mr. Byrne has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (7) Includes 28,964 shares which Mr. Derenzo has the right to acquire upon the exercise of stock options within 60 days of the record date.

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- (8) Includes 2,139 shares which Mr. Fite has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (9) Includes 2,139 shares which Mr. Gallina has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (10) Includes 18,567 shares which Mr. Patton has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (11) Includes 23,347 shares which Mr. Robotham has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (12) Includes 4,252 shares which Mr. Taber has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (13) Includes 17,968 shares which Doctor Taylor has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (14) Includes 16,388 shares which Mr. Tow has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (15) Includes 2,139 shares which Mr. Waks has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (16) Includes 6,060 shares which Mr. Wright has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (17) Includes 1,222 shares which Mr. Ziegler has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (18) Includes 140,172 stock options outstanding to purchase common stock exercisable within 60 days of the record date.

PROPOSAL NO. 1 ELECTION OF DIRECTORS

The Company's Bylaws provide that the number of directors of the Company shall not be less than eight (8) nor more than fifteen (15) until changed by an amendment to the Articles of Incorporation or by a Bylaw amending Section 3.2 duly adopted by the vote or written consent of holders of a majority of the outstanding shares entitled to vote. The exact number of directors shall be fixed from time to time, within the range specified in the Articles of Incorporation (i) by a resolution duly adopted by the Board; (ii) by a Bylaw or amendment thereof duly adopted by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of the holders of a majority of the outstanding shares entitled to vote; or (iii) by approval of the shareholders. The exact number of directors was fixed at nine (9) at a regular meeting of the Board of Directors held January 21, 2004.

Director Sam J. Gallina, who has served on the Board of Directors of

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American River Bankshares since its inception in 1995 and the Board of American River Bank since 1986, will be retiring as a Director and as a member of all committees upon which he currently serves of both American River Bankshares and American River Bank effective at the completion of his current term as a director, at the 2005 Annual Meeting of Shareholders. Upon the retirement of Sam J. Gallina at the end of his current term, the Board of Directors has resolved to set the number of authorized directors of the Company at eight (8).

The current classes and allocation of directors are as follows:

Class I	Class II	Class III
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Amador S. Bustos	Sam J. Gallina	Charles D. Fite
Robert J. Fox	Roger J. Taylor	David T. Taber
William A. Robotham	Michael A. Ziegler	Stephen H. Waks

As a result of reducing the number of authorized directors to eight (8) the Board of Directors will be reclassified into two classes as provided in the Bylaws. Under the previous three class system, the Class II directors would have their term expire at the 2005 Annual Meeting. Upon the retirement of Mr. Gallina, the remaining Class II directors are Roger J. Taylor and Michael A. Zeigler. Thus, the Board of Directors has proposed that Michael A. Ziegler be elected to a one-year term and that he be made a Class III director and Roger J. Taylor be elected to a two-year term and that he be made a Class I director (which will make the existing Class I have four (4) directors and Class III will have four (4) directors). Messrs. Taylor and Ziegler have agreed to serve a reduced term to accommodate the reclassification of the Board. Accordingly, the Class I directors' term will expire at the Annual Meeting in 2007, at which time all Class I directors will be subject to election for a two-year term. The Class III directors' term will expire at the Annual Meeting in 2006, at which time they would also be subject to election for a two-year term. The two classes of directors will remain in effect until the authorized number of directors is increased to nine (9) or more directors in the future. In such event, the two classes would be reclassified into three classes as provided in the Company's Bylaws.

Accordingly, Director Ziegler will be elected at the Meeting, to serve for a one-year term expiring at the 2006 Annual Meeting of Shareholders and be allocated to Class III and Director Taylor will be elected at the Meeting, to serve for a two-year term expiring at the 2007 Annual Meeting of Shareholders and be allocated to Class I. All Proxies will be voted for the election of the following nominees recommended by the Board of Directors, unless authority to vote for the election of any or all of the nominees is withheld.

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If any nominee should become unable or unwilling to serve as a director, the proxies will be voted for such substitute nominee as shall be designated by the Board of Directors. The Board of Directors presently has no knowledge that any of the nominees will be unable or unwilling to serve.

The following persons are the nominees of the Board of Directors for election as directors to be added to Class I and Class III as described above to serve until their terms expire or until their successors are duly elected and qualified.

Nominees for Election as Directors:

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Name and Title Other than Director	Principal Occupation During the Last Five Years	Age
Roger J. Taylor, D.D.S. Vice-Chairman	Dentist (Retired) and National Executive Director Impax Health Prime and a real estate developer in Sacramento.	5
Michael A. Ziegler	President and Chief Executive Officer of PRIDE Industries in Sacramento.	6

Class I Directors, Continuing in Office:

Name and Title Other than Director	Principal Occupation During the Last Five Years	Age
Amador S. Bustos	Chairman and Chief Executive Officer, Bustos Media Corporation (BMC) in Sacramento.	5
Robert J. Fox	Partner, S.J. Gallina & Co., LLP, Certified Public Accountants in Sacramento.	6
William A. Robotham	Executive Partner, Pisenti & Brinker LLP, Certified Public Accountants in Santa Rosa.	6

Class III Directors, Continuing in Office:

Name and Title Other than Director	Principal Occupation During the Last Five Years	Age
Charles D. Fite Chairman	President, Fite Development Company in Sacramento.	4
David T. Taber President and CEO	President and CEO, American River Bankshares. CEO of American River Bank since 2004.	4
Stephen H. Waks Corporate Secretary	Attorney-at-Law; owner of Stephen H. Waks, Inc. in Sacramento.	5

None of the directors, nominees for director listed above, American River Bank directors, or executive officers listed on pages 7 and 8, were selected pursuant to any arrangement or understanding other than with the directors, American River Bank directors, and executive officers of the Company acting within their capacities as such. There are no family relationships between any two or more of the directors, nominees for director, American River Bank directors or executive officers. No director, nominee for director, American River Bank director, or executive officer serves as a director of (i) any company which has a class of securities registered under Section 12, or which is subject to the periodic reporting requirements of Section 15(d) of the Securities Exchange Act of 1934, or (ii) any company registered as an investment company under the Investment Company Act of 1940.

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1 As used in this Proxy Statement, the term "executive officer" of the Company includes the President and Chief Executive Officer of American River Bankshares, the Executive Vice President and Chief Financial Officer of American River Bankshares, the Senior Vice President and Chief Credit Officer of American River Bankshares, the Senior Vice President and Chief Information Officer of American River Bankshares, the President of American River Bank and the Presidents of North Coast Bank and Bank of Amador, divisions of American River Bank.

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None of the nominees were subject to any legal proceedings involving violations of securities laws, convictions in a criminal proceeding (excluding traffic violations or minor offenses) or had a petition under bankruptcy laws filed against themselves or an affiliate within the last five years.

Committees of the Board of Directors

The Audit Committee, whose members are Amador S. Bustos, Robert J. Fox, Sam J. Gallina (Chairman), and William A. Robotham, oversees the Company's independent public accountants, analyzes the results of internal and regulatory examinations and monitors the financial and accounting organization and reporting. Director Gallina has been designated by the Board of Directors as an "audit committee financial expert" as defined under rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002 until his retirement on May 19, 2005. Thereafter, Mr. Fox has been designated and will serve as the "the audit committee financial expert" and Mr. Robotham will serve as the Chairman of the Audit Committee. The Audit Committee met five (5) times in 2004. See the Audit Committee Report on page 18 for additional information regarding the functions of the Audit Committee. Each member of the Audit Committee is "independent," as that term is defined under rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and by applicable Nasdaq Stock Market Rules. In addition, each other member of the Audit Committee is "financially literate" as defined under applicable Nasdaq Stock Market Rules.

The Nominating Committee, whose members are Charles D. Fite, Robert J. Fox, and Stephen H. Waks, has the responsibility to assist the Board of Directors by (a) establishing criteria for candidates and identifying, evaluating, and recommending candidates, including candidates proposed by shareholders, for election to the Board of Directors, and (b) periodically reviewing and making recommendations on the composition of the Board of Directors. All members of the Nominating Committee are "independent," as that term is defined under rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and applicable Nasdaq Stock Market Rules. Candidates are selected in accordance with a Nominating Charter. The Nominating Charter includes a policy for consideration of candidates proposed by shareholders. Any recommendations by shareholders will be evaluated by the Board of Directors in the same manner as any other recommendation and in each case in accordance with the Nominating Charter. Shareholders that desire to recommend candidates for consideration by the Company's Board of Directors should mail or deliver written recommendations to the Company addressed as follows: Board of Directors, American River Bankshares, 1545 River Park Drive, Suite 107 Sacramento, California 95815. Each recommendation should include biographical information indicating the background and experience of the candidate that qualifies the candidate for consideration as a director for evaluation by the Board of Directors. In addition to minimum standards of independence for non-employee directors and financial literacy, the Board of Directors considers various other criteria including the candidate's experience and expertise, financial resources, ability to devote the time and effort necessary to fulfill the responsibilities of a director and involvement in community activities in the

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market areas served by the Company that may enhance the reputation of the Company. The Company operates in a highly regulated industry and is subject to the supervision, regulation and periodic examination by state and federal banking regulatory authorities including the Board of Governors of the Federal Reserve System, California Commissioner of Financial Institutions and Federal Deposit Insurance Corporation. Directors of the Company are subject to certain rules and regulations and potential liabilities not otherwise applicable to directors of non-banking organizations. Consequently, evaluation of candidates by the Company's Board of Directors may include more extensive inquiries into personal background information including confirmation of the accuracy and completeness of background information by (a) requiring candidates to complete questionnaires to elicit information of the type required to be disclosed by the Company in reports filed with the Securities and Exchange Commission, Nasdaq, or such state and federal banking regulatory authorities, (b) conducting background investigations by qualified independent organizations experienced in conducting criminal and civil investigatory reviews, and (c) such other personal and financial reviews and analyses as the Board of Directors may deem appropriate in connection with the consideration of candidates. Shareholders who wish to nominate a candidate for election to the Company's Board of Directors, as opposed to recommending a potential nominee for consideration by the Board of Directors, are required to comply with the advance notice and any other requirements of the Company's bylaws, applicable laws and regulations. The Board of Directors may elect to use third parties in the future to identify or evaluate candidates for consideration by the Board of Directors. The Nominating Charter adopted by the Board of Directors is attached to this Proxy Statement as Appendix A. The Nominating Committee recommended the slate of Nominees for Election described on pages 3 and 4.

The Compensation Committee, whose members include Charles D. Fite (Chairman), Sam J. Gallina, Roger J. Taylor, D.D.S., and Stephen H. Waks, oversees the performance and reviews the compensation of the executive officers of the Company and American River Bank. The Compensation Committee met nine (9) times during 2004. See the Compensation Committee Report on page 13 for

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additional information regarding the functions of the Compensation Committee. The Board has determined that all members of the Compensation Committee are "independent," as that term is defined by applicable Nasdaq Stock Market Rules. In December 2004, Amador S. Bustos, Robert J. Fox, and William Robotham were added to the Compensation Committee and Sam J. Gallina and Stephen H. Waks left the committee.

The Finance and Capital Committee, whose members include William A. Robotham, Roger J. Taylor, D.D.S., Stephen H. Waks (Chairman), and Michael A. Ziegler, has the responsibility to (a) oversee asset liability management and the investment portfolio including recommending to the full Board of Directors the annual investment strategy; (b) recommend to the full Board of Directors the annual operating budget for the Company; and (c) review premises leases for recommendation to the full Board of Directors. The Finance and Capital Committee met five (5) times during 2004.

The Executive Committee, whose members include Charles D. Fite (Chairman), Sam J. Gallina, David T. Taber, Roger J. Taylor, D.D.S., and Stephen H. Waks (who joined in March 2004) oversees long range planning, formulates and recommends broad policy positions for the full Board of Directors to consider and is responsible for evaluating and recommending to the full Board of Directors matters pertaining to mergers and acquisitions. The Executive Committee met nine (9) times during 2004.

The Loan Committee has the responsibility for establishing loan policy,

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approving loans which exceed certain dollar limits and reviewing the outside loan review firm's examinations of the loan portfolios. American River Bank's Loan Committee includes Charles D. Fite, Robert J. Fox, Sam J. Gallina, Roger J. Taylor, D.D.S. (Chairman), Stephen H. Waks, and Philip A. Wright. American River Bank's Loan Committee met twenty-nine (29) times during 2004.

During 2004, the Company's Board of Directors held twelve (12) regular meetings and four (4) special meetings. In addition, the Company's Board of Directors held four (4) "executive sessions" which only the non-employee directors attended, each of whom is "independent" as defined under rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and applicable Nasdaq Stock Market Rules. All directors attended at least 75% of the aggregate of the total number of meetings of the Board of Directors and the number of meetings of the committees on which they served.

A majority of the members of the Board of Directors, each of whom is "independent" as defined under applicable rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and applicable Nasdaq Stock Market Rules, has established procedures for receipt and delivery of shareholder communications addressed to the Board of Directors. Any such shareholder communications, including communications by employees of the Company solely in their capacity as shareholders, should be mailed or delivered to the Company addressed as follows: Board of Directors, American River Bankshares, 1545 River Park Drive, Suite 107 Sacramento, California 95815.

The Company requires members of its Board of Directors to attend the Company's annual meeting of shareholders each year. With the exception of Doctor Roger J. Taylor, D.D.S., all the directors attended the Company's annual meeting of shareholders held in 2004.

Compensation of Directors

The fees paid to non-employee directors of American River Bankshares during 2004 included a retainer of \$350 per month, a base fee of \$250 per month for attendance at board meetings, and a fee of \$150 per month for attendance at committee meetings, other than the Directors Loan Committee of American River Bank whose outside director members received a fee of \$250 for each meeting attended. Outside director members of the Executive Committee received an additional retainer fee of \$150 per month. In addition to the fees received as non-employee directors in connection with the meetings and matters described above, the Chairman of the Board of Directors also received a retainer fee of \$250 per month, and the Chairman of the Audit Committee and the Chairman of American River Bank's Directors Loan Committee also received a retainer fee of \$150 per month. The Chairman of the Finance and Capital Committee also received a retainer fee of \$50 per month. In 2004, the total amount of fees paid by American River Bankshares and American River Bank to all directors as a group was \$129,900.

The Company has a 1995 Stock Option Plan (the "1995 Plan") and a 2000 Stock Option Plan (the "2000 Plan") pursuant to which non-qualified stock options have been granted. Stock options granted under the 1995 are fully vested and are exercisable until their expiration; however, no new options will be granted under the 1995 Plan. As of the Record Date, all of the stock options granted to

the current directors under the 1995 Plan have been exercised except 15,829 shares granted in 1995 to Roger J. Taylor, D.D.S. On April 21, 2004, directors that served the Company for the entire year of 2003 (Charles D. Fite, Sam J. Gallina, Roger J. Taylor, D.D.S., Stephen H. Waks, and Michael A. Ziegler) were

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granted a nonstatutory stock option under the 2000 Plan to purchase 4,365 shares of American River Bankshares common stock at \$21.42 per share (converted to 4,583 shares at \$20.40 as adjusted for the 5% stock dividend declared in December 2004). On March 19, 2003, Directors Fite, Gallina, Taylor, and Waks were granted a nonstatutory stock option to purchase 1,940 shares of American River Bankshares common stock at \$22.34 per share (converted to 3,055 shares at \$14.186 as adjusted for a 3-for-2 stock split and a 5% stock dividend). On May 21, 2003, Director Ziegler was granted a nonstatutory stock option to purchase 485 shares of American River Bankshares common stock at \$24.22 per share (converted to 763 shares at \$15.383 as adjusted for a 3-for-2 stock split and a 5% stock dividend).

On June 18, 1997, the Board of Directors approved a Gross-Up Plan (the "Plan") to compensate for the tax effects of the exercise of nonstatutory stock options. The Plan named Directors Charles D. Fite, Sam J. Gallina, Roger J. Taylor, D.D.S., and Stephen H. Waks as participants and applies only to those options granted on August 25, 1995. As of the Record Date, all stock options eligible under this Plan have been exercised except 15,829 stock options granted to Roger J. Taylor, D.D.S. The Plan encourages participating optionees to retain shares acquired through the exercise of nonstatutory stock options by American River Bankshares paying to the participating optionee an amount equal to the taxable income resulting from an exercise of a nonstatutory stock option multiplied by American River Bankshares' effective tax rate, subject to the optionee's agreement to hold the shares acquired for a minimum of one (1) year. In the event that the shares acquired upon exercise are not held for at least one year from the date of acquisition, the optionee is required to reimburse the amount paid to the optionee under the Plan. During 2004, Director Fite executed an agreement in return for payment of \$188,613.

Effective December 20, 2001, a Deferred Fee Plan was established for the purpose of providing the directors an opportunity to defer director fees. Participating directors may elect to defer a portion, up to 100%, of their monthly director fees. American River Bankshares bears the administration costs and pays interest on the deferred balances at a rate equal to the five-year U.S. Treasury Bond plus 4.0%, but does not, otherwise, make contributions to the Plan. During 2004, two directors participated in the Plan and deferred \$10,550.

In January 2003, the Board of Directors approved a Directors Retirement Plan and in June 2004 this plan was replaced with a Director Emeritus Program, whereby each director, upon full retirement from the Company's or an affiliate's Board of Directors, is entitled to receive installment payments over a 24 month period following retirement which are equal to the total Board of Director and Committee fees received by a director for such service during the two full calendar years prior to retirement. The Director Emeritus Program contains a ten-year vesting component. A director vests 10% for each year of service on the Board of Directors of the Company or an affiliate Board of Directors. During 2004, five former directors participated in this Emeritus Program and received payments totaling \$39,617.

EXECUTIVE OFFICERS

The executive officers of the Company during 2004 included David T. Taber, President and Chief Executive Officer of American River Bankshares, about whom information is provided on page 4, and the following persons:

NAME	AGE	OFFICER SINCE	PRINCIPAL OCCUPATION DURING THE PAST FIVE YEARS
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Mitchell A. Derenzo	43	1992	Executive Vice President and Chief Financial Officer of American River Bankshares since 1995. Senior Vice President and Chief Financial Officer of American River Bank from 1992 to 1995.
Raymond F. Byrne	57	2000	President of North Coast Bank, a division of American River Bank, since 2002. Senior Vice President and Senior Lender of North Coast Bank from 2001 to 2003. Vice President and Manager of North Coast Bank of the West from 2000 to 2001. Vice President and General Manager of Discovery Office Systems from 1991 to 1999.

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Gregory N. Patton	46	2004	President of American River Bank since 2004. Senior Vice President and Senior Commercial Officer of American River Bank from 2000 to 2004. Vice President and Branch Manager of American River Bank from 1995 to 2000.
Larry D. Standing	62	2004	President of Bank of Amador, a division of American River Bank, since 2004. President of the Bank of Amador from 1983 to 2004.
Kevin B. Bender (1)	41	2004	Senior Vice President and Chief Information Officer of American River Bankshares since 1999.
Douglas E. Tow (1)	51	1994	Senior Vice President and Chief Credit Officer of American River Bankshares since 2003. Senior Vice President and Chief Credit Officer of American River Bank since 1994.

(1) Messrs. Bender and Tow were both promoted to Executive Vice President in March of 2005. Their scope of their position and duties remains the same.

EXECUTIVE COMPENSATION

Set forth below is the summary compensation paid during the three years ended December 31, 2004, to David T. Taber, Mitchell A. Derenzo, Raymond F. Byrne, Gregory N. Patton, Larry D. Standing, Kevin B. Bender, and Douglas E. Tow, the only executive officers of the Company and American River Bank. Larry D. Standing joined the Company in December 2004 as a result of the Bank of Amador merger.

Summary Compensation Table

(a)	(b)	Annual Compensation			Long-Term
		(c)	(d)	(e)	Awards
(a)	(b)	(c)	(d)	(e)	(f)

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Name and Principal Position	Year	Salary (\$)(1)	Bonus (\$)(2)	Other Annual Compensation (\$)(3)	Restricted Stock Award(s) (\$)	Secu Unde Opti (
David T. Taber, President and Chief Executive Officer	2004	\$203,800	\$133,333	--	--	
	2003	200,000	137,617	--	--	
	2002	175,000	44,688	--	--	
Mitchell A. Derenzo, Executive Vice President and Chief Financial Officer	2004	127,375	47,417	--	--	
	2003	125,000	41,568	--	--	
	2002	105,124	18,387	--	--	
Gregory N. Patton, President of American River Bank	2004	125,000	37,289	--	--	
	2003	98,613	30,643	--	--	
	2002	95,214	11,669	--	--	
Raymond F. Byrne, President of North Coast Bank (6)	2004	115,000	32,148	--	--	
	2003	107,525	2,000	--	--	
	2002	105,892	2,286	--	--	
Larry D. Standing, President of Bank of Amador (6) and (7)	2004	12,500	--	--	--	
	2003	--	--	--	--	
	2002	--	--	--	--	
Kevin B. Bender, Senior Vice President and Chief Information Officer	2004	95,000	38,552	--	--	
	2003	87,000	28,611	--	--	
	2002	74,494	12,446	--	--	
Douglas E. Tow, Senior Vice President and Credit Officer	2004	115,147	39,880	--	--	
	2003	113,000	44,389	--	--	
	2002	100,650	15,982	--	--	

(1) Amounts shown include cash compensation earned and received by executive officers as well as amounts earned but deferred at the election of those officers under the 401(k) Plan and the Deferred Compensation Plan.

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- (2) Amounts indicated as bonus payments are listed in the year paid. The amounts listed as paid in 2004 were all earned in 2003. Additional amounts accrued in 2004 and paid in 2005 were \$120,946 to Mr. Taber; \$37,795 to Mr. Derenzo; \$39,678 to Mr. Patton; \$31,532 to Mr. Byrne; \$28,189 to Mr. Bender; and \$32,587 to Mr. Tow.
- (3) No executive officer received perquisites or other personal benefits in excess of the lesser of \$50,000 or 10% of each such officer's total annual salary and bonus during 2004, 2003, and 2002.
- (4) Represents the number of shares granted in the year indicated, as adjusted for stock splits and stock dividends. The Company had a 1995 Stock Option Plan (the "1995 Plan") pursuant to which options could be granted to directors and key, full-time salaried officers and employees of the Company and American River Bank. The 1995 Plan was replaced with the Company's 2000 Stock Option Plan (the "2000 Plan"). Options granted under the 1995 Plan were either incentive options or nonstatutory options. Options granted under the 1995 Plan became exercisable in accordance with a vesting schedule established at the time of grant. Vesting could not extend beyond ten years from the date of grant. Upon a change in control of the Company, all outstanding options under the 1995 Plan will become fully vested and

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exercisable. Options granted under the 1995 Plan are adjusted to protect against dilution in the event of certain changes in the Company's capitalization, including stock splits and stock dividends. The 2000 Plan is substantially similar to the 1995 Plan regarding provisions related to option grants, vesting, and dilution. All options granted to the named executive officers have an exercise price equal to the fair market value of the common stock on the date of grant.

- (5) Amounts shown for each named executive officer include 401(k) matching contributions, the use of an automobile owned by the Company, earned but unpaid interest on amounts deferred under the Company's Deferred Compensation Plan, excess life insurance premiums paid by the Company, and amounts accrued pursuant to post-retirement agreements as described below.
- (6) North Coast Bank and Bank of Amador are divisions of American River Bank.
- (7) Mr. Standing joined the Company in December 2004 (see Employment Contracts and Termination of Employment and Change in Control Agreements below).

Stock Options

The following table describes stock options that were granted pursuant to the Company's 2000 Stock Option Plan (the "2000 Stock Option Plan") to the Company's executive officers in the fiscal year ended December 31, 2004. Shareholders approved the 2000 Stock Option Plan on September 21, 2000. All of the grants were made on April 21, 2004 based on achievement of 2003 corporate and personal performance objectives.

Option/SAR Grants in Last Fiscal Year

Name	Number of Securities Underlying Options/SARs Granted (#) (1)	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise Price (\$/Sh)	Expiration Date
David T. Taber	7,087	19%	\$20.40	4/21/14
Mitchell A. Derenzo	3,386	9%	\$20.40	4/21/14
Gregory N. Patton	3,465	9%	\$20.40	4/21/14
Raymond F. Byrne	3,150	8%	\$20.40	4/21/14
Larry D. Standing	--	--	--	--
Kevin B. Bender	3,150	8%	\$20.40	4/21/14
Douglas E. Tow	3,386	9%	\$20.40	4/21/14

- (1) All options are incentive stock options, which vest ratably over a five-year period commencing one year after the grant date. The terms of all of the Company's stock option plans provide that options may become exercisable in full in the event of a change of control as defined in the 2000 Stock Option Plan.
- (2) The Black-Scholes option-pricing model is used to determine grant date present value. To derive the per share option value of \$4.92, the assumptions used include a risk-free rate equal to the seven-year interpolated treasury yield of 4.01%, volatility of 22.0%, and a seven-year maturity.

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The following table sets forth the number of shares of common stock acquired by each of the named executive officers upon the exercise of stock options during fiscal year 2004, the net value realized upon exercise, the number of shares of common stock represented by outstanding stock options held by each of the named executive officers as of December 31, 2004, the value of such options based on the closing price of the Company's common stock, and certain information concerning unexercised options under the 1995 and 2000 Stock Option Plans.

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Aggregated Option/SAR Exercises In Last Fiscal Year And FY-End Option/SAR Values

Name (a)	Shares Acquired on Exercise (#) (b)	Value Realized (\$) (c)	Number of Securities Underlying Unexercised Options/SARs at Fiscal Year- End (#) Exercisable/ Unexercisable (d)	Va Une In- Opti Fiscal Exe Une
David T. Taber	40,000	672,509	38,568/12,757	\$ 719,45
Mitchell A. Derenzo	--	--	27,610/6,095	\$ 450,64
Gregory N. Patton	1,106	11,369	17,401/5,355	\$ 225,35
Raymond F. Byrne	--	--	197/3,936	\$ 1,61
Larry D. Standing	--	--	--/--	\$ -
Kevin B. Bender	--	--	18,783/5,355	\$ 258,61
Douglas E. Tow	4,302	74,994	16,952/6,095	\$ 237,52

(1) The aggregate value has been determined based upon the closing price for the Company's common stock at year-end, minus the exercise price.

Employment Contracts and Termination of Employment and Change in Control Arrangements

In August 2003, the Company entered into an employment agreement with David T. Taber. The agreement provides for an original term of two years subject to automatic one-year extensions thereafter unless terminated in accordance with the terms of the agreement. The agreement provides for a base salary which is disclosed in the Summary Compensation Table on page 8. The base salary under the agreement is reviewed annually and is subject to adjustment at the discretion of the Board of Directors. Additionally, the agreement provides for, among other things (i) an annual incentive bonus based upon the Company's achievement of certain profitability, growth and asset quality standards as set forth in the agreement; (ii) in the event of disability, payment of base salary reduced by

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the amounts received from state disability insurance or workers' compensation or other similar insurance benefits through policies provided by the Company; (iii) stock option grants in the discretion of the Board of Directors under the Company's stock option plan; (iv) four weeks annual paid vacation leave; (v) use of an automobile; and (vi) reimbursement for ordinary and necessary expenses incurred in connection with employment. The agreement may be terminated with or without cause, but if the agreement is terminated without cause due to the occurrence of circumstances that make it impossible or impractical for the Company to conduct or continue its business, the loss by the Company of its legal capacity to contract or the Company's breach of the terms of the agreement, the employee is entitled to receive severance compensation equal to six months of the existing base salary plus any incentive bonus due. The agreement further provides that in the event of a "change in control" as defined therein and within a period of two years following consummation of such change in control (i) the employee's employment is terminated; or (ii) any adverse change occurs in the nature and scope of the employee's salary or benefits; or (iii) any event occurs which reasonably constitutes a constructive termination of employment, by resignation or otherwise, then the employee will be entitled to receive severance compensation in an amount equal to eighteen (18) months of the employee's annual base salary, less applicable withholding deductions (in addition to salary, incentive compensation, or other payments, if any, due the employee).

In December 2004, the Company's subsidiary, American River Bank, entered into an employment agreement with Larry D. Standing. The agreement provides for an original term of two years subject to automatic one-year extensions thereafter unless terminated in accordance with the terms of the agreement. The agreement provides for a base salary of \$150,000. The amount earned in 2004 is disclosed in the Summary Compensation Table on page 8. The base salary under the agreement is reviewed annually and is subject to adjustment at the discretion of the Board of Directors. Additionally, the agreement provides for, among other things (i) an annual incentive bonus based upon the Company's achievement of certain profitability, growth and asset quality standards as set forth in the agreement; (ii) in the event of disability, payment of base salary reduced by

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the amounts received from state disability insurance or workers' compensation or other similar insurance benefits through policies provided by the Company; (iii) stock option grants in the discretion of the Board of Directors under the Company's stock option plan; (iv) four weeks annual paid vacation leave; (v) use of an automobile; and (vi) reimbursement for ordinary and necessary expenses incurred in connection with employment. The agreement may be terminated with or without cause, but if the agreement is terminated without cause due to the occurrence of circumstances that make it impossible or impractical for the Company to conduct or continue its business, the loss by the Company of its legal capacity to contract or the Company's breach of the terms of the agreement, the employee is entitled to receive severance compensation equal to six months of the existing base salary plus any incentive bonus due. The agreement further provides that in the event of a "change in control" as defined therein and within a period of two years following consummation of such change in control (i) the employee's employment is terminated; or (ii) any adverse change occurs in the nature and scope of the employee's salary or benefits; or (iii) any event occurs which reasonably constitutes a constructive termination of employment, by resignation or otherwise, then the employee will be entitled to receive severance compensation in an amount equal to eighteen (18) months of the employee's annual base salary, less applicable withholding deductions (in addition to salary, incentive compensation, or other payments, if any, due the employee).

On March 18, 1998, American River Bank adopted the American River Bank

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Employee Severance Policy. The Policy allows for certain named employees to receive severance payments equal to six times their monthly base pay should these named employees be terminated within one year of a "change in control." The Board of Directors has designated executive officers Mitchell A. Derenzo, Kevin B. Bender, Gregory N. Patton, Raymond F. Byrne, and Douglas E. Tow to be covered under the Policy.

Recognizing the importance of building and retaining a competent management team, additional agreements were entered into to provide post-retirement benefits to Messrs. Taber, Derenzo, and Tow. The terms of the agreements include the amounts each employee will receive upon the occurrence of certain specified events, including formal retirement on or after a specified age. The agreements generally provide for annual retirement benefit payments of One Hundred Thousand Dollars (\$100,000) to Mr. Taber and Fifty Thousand Dollars (\$50,000) each to Mr. Derenzo, and Mr. Tow. The annual retirement benefit amount is payable in equal monthly installments over a fifteen (15) year period. In the event of an employee's death, all remaining amounts due are anticipated to be paid to the employee's designated beneficiary over the remaining payout period. Other events which may alter when payment of the annual retirement benefit is to begin, or the amount which is to be paid, include: (a) disability prior to retirement in which case the employee shall be entitled to a lesser benefit payment amount based upon the length of employment; and (b) termination following a "change of control," in which case the employee is entitled to receive the annual benefit payment in equal monthly installments for fifteen (15) years beginning in the month following the termination or "change of control" equal to Sixty-Four Thousand Nine Hundred and Seventy Dollars (\$64,970) for Mr. Taber and Thirty-Two Thousand Four Hundred and Eighty-Five Dollars (\$32,485) each for Mr. Derenzo, and Mr. Tow. The Company purchased insurance policies in connection with these agreements on the lives of Messrs. Taber, Derenzo, and Tow paying the premiums for these insurance policies with a lump-sum premium payment of approximately \$954,100.

Deferred Compensation Plans

Effective May 1, 1998, the American River Bank Deferred Compensation Plan was established for the purpose of providing certain highly compensated individuals, which includes the executive officers, an opportunity to defer compensation. Participants, who are selected by a committee designated by the Board of Directors, may elect to defer annually a minimum of \$5,000 or a maximum of eighty percent of their base salary and all of their cash bonus. American River Bank bears all administration costs, but does not make contributions to the plan. Effective December 20, 2000, the Deferred Compensation Plan was renamed the American River Bankshares Deferred Compensation Plan and beginning January 1, 2001, the Company now bears the administration costs for participants that are employed by the Company and American River Bank bears the costs for participants that are employed by American River Bank. The Deferred Compensation Plan requires the Company and American River Bank to pay interest on the deferred balances at a rate equal to the five-year U.S. Treasury Bond plus 4.0%. In addition, the executive officers are eligible to participate in the Company's 401(k) Plan. Under the 401(k) Plan, the Company matches salary deferrals at a rate of 100% of the participant's contributions up to 3% of such participant's annual compensations plus 50% of the next 2% of annual compensation.

EQUITY COMPENSATION PLAN INFORMATION

The chart below summarizes share information about American River Bankshares' equity compensation plans including the 1995 Stock Option Plan and the 2000 Stock Option Plan as of December 31, 2004. Both of these plans have been approved by the Company's shareholders. The Company has no other equity

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compensation plan and there are no warrants or other rights outstanding that would result in the issuance of shares of the Company's common stock.

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants and rights	Weighted-average exercise price of outstanding options, warrants and rights	Number avail under (exclu
	(a)	(b)	
Equity compensation plans approved by security holders	342,572 (1)	\$9.43	
Equity compensation plans not approved by security holders	-0-	-0-	
Total	342,572	\$9.43	

(1) Shares reserved but unissued shall remain available for grant during any subsequent calendar year. Awards that expire or are cancelled, forfeited or terminated before being exercised shall again become available for future awards under the Plan.

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BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The compensation of the executive officers of American River Bankshares is reviewed and approved annually by the Board of Directors on recommendation by the Compensation Committee. During 2004, Charles D. Fite (Chairman), Sam J. Gallina, Roger J. Taylor, D.D.S., and Stephen H. Waks served as members of the Compensation Committee. Each such member of the Committee is "independent" as defined under applicable rules promulgated by the Securities and Exchange Commission pursuant to the Sarbanes-Oxley Act of 2002, and applicable Nasdaq Stock Market Rules. Mr. Taber was not present during the Compensation Committee voting or deliberations regarding his compensation as required by applicable Nasdaq Stock Market Rules. David T. Taber, Mitchell A. Derenzo, Raymond F. Byrne, Gregory N. Patton, Larry D. Standing, Kevin B. Bender, and Douglas E. Tow served as executive officers of American River Bankshares during 2004 in the capacities reflected in the Summary Compensation Table.

The Compensation Committee's philosophy is that compensation should be designed to reflect the value created for shareholders while supporting American River Bankshares' strategic goals. The Compensation Committee reviews annually the compensation of the executive officers to insure that American River Bankshares' compensation programs are related to financial performance and consistent generally with employers of comparable size in the industry. Annual compensation for American River Bankshares' executive officers includes the following components:

- 1) Base salary is related to the individual executive officer's level of responsibility and comparison with comparable employers in the industry.
- 2) Executive officers are eligible to participate in the American River

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Bankshares Incentive Compensation Plan (the "Incentive Plan"). The Incentive Plan outlines minimum financial performance standards which include performance, growth, efficiency and asset quality minimums which must be achieved prior to any payout. If the performance standards are met, the pool amount available for payment to all employees of the Company is set at a predetermined rate by the Compensation Committee. The incentive pool for 2004 was set at 14.36% of net income prior to incentive accruals and adjusted for taxes. The actual amounts accrued in 2004 to be paid in 2005 represented 14.36% of net income prior to incentive accruals and adjusted for taxes. The incentive pool also includes 401(k) matching funds.

3) Stock option grants are intended to increase the executive officers' interest in American River Bankshares' long-term success and link interests of the executive officer with those of shareholders as measured by American River Bankshares' share price. Stock options are granted at the discretion of the Board of Directors and at the prevailing market value of American River Bankshares common stock. Consequently, the value of the options is directly connected to the increase in value of American River Bankshares' stock price. See the Summary Compensation Table, Option/SAR Grant Table, and Option/SAR Exercise Table, and notes thereto for a further description of stocks options.

4) American River Bankshares matches salary deferred by employees participating in its 401(k) Plan at a rate equal to 100% of the participant's contribution up to 3% of such participant's annual compensation plus 50% of the next 2% of annual compensation. Executive officers are eligible to participate in the 401(k) plan. See the Summary Compensation Table for further 401(k) plan information.

/s/ CHARLES D. FITE	/s/ SAM J. GALLINA	/s/ ROGER J. TAYLOR	/s/ STEPHEN H. WAKS
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Charles D. Fite	Sam J. Gallina	Roger J. Taylor, D.D.S.	Stephen H. Waks, Esq.

COMPARISON OF AMERICAN RIVER BANKSHARES SHAREHOLDERS RETURN

Set forth below is a line graph comparing the annual percentage change in the cumulative total return on American River Bankshares common stock with the cumulative total return of the SNL Securities Index of National Peer Banks (asset size of less than \$500 million), NASDAQ--Total U.S., and the SNL NASDAQ Bank Index as of the end of each of American River Bankshares' last five fiscal years.

The following table assumes that \$100.00 was invested on December 31, 1999 in American River Bankshares common stock and each index, and that all dividends were reinvested. Returns have been adjusted for any stock dividends and stock splits declared by American River Bankshares. Shareholder returns over the indicated period should not be considered indicative of future shareholder returns.

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Total Return Performance

[GRAPHIC CHART OMITTED]

Index	Period Ending				
	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03
American River Bankshares	100.00	101.41	123.78	198.58	260.29
NASDAQ Composite	100.00	60.82	48.16	33.11	49.93
SNL					