

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

AMERICAN RIVER BANKSHARES

Form S-4

September 17, 2004

As filed with the Securities and Exchange Commission on September 17, 2004.

Registration No. 333-_____

=====

SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM S-4
REGISTRATION STATEMENT
UNDER
THE SECURITIES ACT OF 1933

AMERICAN RIVER BANKSHARES
(Exact name of registrant as specified in its charter)

California	6022	68-0352144
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification No.)

1545 River Park Drive, Suite 107, Sacramento, California 95815, (916) 565-6100
(Address, including zip code, and telephone number, including
area code, of registrant's principal executive offices)

DAVID T. TABER
President and Chief Executive Officer
American River Bankshares
1545 River Park Drive, Suite 107
Sacramento, California 95815
(916) 565-6100
(Name, address, including zip code, and telephone
number, including area code, of agent for service)

Copies to:

GLENN T. DODD, ESQ.
JOSEPH G. MASON, ESQ.
Dodd Mason George LLP
100 Century Center Court, Suite 605
San Jose, California 95112-4536
(408) 452-1476

DANIEL B. ENG, ESQ.
VIRGINIA W. WEI, ESQ.
Bartel Eng & Schroder
1331 Garden Highway, Suite 300
Sacramento, California 95833
(916) 442-0400

Approximate date of commencement of proposed sale of the securities to
the public: As soon as practicable after this Registration Statement becomes
effective.

If the securities being registered on this Form are being offered in
connection with the formation of a holding company and there is compliance with

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

General Instruction G, check the following box. []

If this Form is filed to register additional securities for an offering pursuant to Rule 462(b) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

If this Form is a post-effective amendment filed pursuant to Rule 462(d) under the Securities Act, check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. []

CALCULATION OF REGISTRATION FEE

Title of Each Class of Securities to Be Registered	Amount to Be Registered(1)	Proposed Maximum Offering Price Per Share	Proposed Maximum Aggregate Offering Price	Regis
Common Stock, no par value per share	1,092,312 shares	\$ 22.801	\$ 24,905,806	

(1) This Registration Statement relates to securities of the Registrant issuable to holders of common stock of Bank of Amador, a California banking corporation, in the proposed merger of Bank of Amador with American River Bank, the wholly owned subsidiary of the Registrant. Represents the approximate number of shares of common stock of the Registrant to be issued upon the consummation of the merger, based upon the number of shares of Bank of Amador common stock outstanding on September 13, 2004, all as provided in the Agreement and Plan of Reorganization and Merger dated July 8, 2004, attached as Annex A to the attached joint proxy statement-prospectus.

(2) Pursuant to Rule 457(f), the registration fee was computed on the basis of \$22.801, the market value of the common stock of the Registrant to be exchanged in the merger, computed in accordance with Rule 457(c) on the basis of the average of the high and low price per share of such stock as quoted on the Nasdaq National Market on September 13, 2004.

The Registrant hereby amends this Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to said Section 8(a), may determine.

PRELIMINARY JOINT PROXY STATEMENT-PROSPECTUS-SUBJECT TO COMPLETION
[AMRBK AND BNKA LOGOS]

_____, 2004

Dear American River Bankshares and Bank of Amador Shareholders:

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

The boards of directors of American River Bankshares and its subsidiary, American River Bank, and Bank of Amador have unanimously approved a merger of Bank of Amador with and into American River Bank. American River Bankshares and Bank of Amador will hold shareholders meetings to consider and vote on the principal terms, including the merger, of the Agreement and Plan of Reorganization and Merger dated as of July 8, 2004 attached as Annex A to the accompanying document. No other business will be transacted at the special meetings other than matters incidental to the conduct of the special meetings.

In the merger, each share of Bank of Amador common stock outstanding at the effective time of the merger (other than shares with respect to which dissenters' rights are perfected) will be converted into the right to receive a combination of (1) cash in the amount of \$6.825, subject, however, to a holdback of \$1,362,000 from the total cash paid to all shareholders and allocated to each shareholder prorata, until the earlier of payment of the balance due on a Bank of Amador loan or upon determination of the amount of any loss related to the loan, and (2) a number of shares of American River Bankshares common stock equal to 12.675 divided by the average closing price of American River Bankshares common stock over a 20 day trading period prior to the closing date of the merger if the average trading price is between \$18.50 and \$23.50; provided, however, that the number of shares of American River Bankshares common stock exchanged will be fixed at 0.6851 if the average trading price is \$18.50 or less, or fixed at 0.5394 if the average trading price is \$23.50 or more. No fractional shares of American River Bankshares common stock will be issued to holders of shares of Bank of Amador common stock. In lieu of such fractional shares, cash will be paid to Bank of Amador shareholders in accordance with the terms of the merger agreement. American River Bankshares common stock is listed and traded on the Nasdaq National Market under the symbol "AMRB" and closed at \$_____ on _____, 2004.

We encourage you to carefully read the accompanying document which we refer to as the "joint proxy statement-prospectus," and in particular the section entitled "RISK FACTORS" commencing on page 25, as well as the annexes attached to it, before voting. Approval of the merger requires the affirmative vote of the holders of a majority of the outstanding shares of American River Bankshares' common stock and a majority of the outstanding shares of Bank of Amador's common stock in addition to receipt of government approvals and satisfaction of conditions discussed in the joint proxy statement-prospectus. It is important that your shares be represented at the special meeting. Whether or not you plan to attend the special meeting, we urge you to sign, date and promptly mail the enclosed proxy card. Please refer to the joint proxy statement-prospectus for a complete description of the voting procedures.

Sincerely,

David T. Taber, President and
Chief Executive Officer

Larry D. Standing, President and
Chief Executive Officer

Neither the Securities and Exchange Commission nor any state securities regulators have approved this transaction or the shares of American River Bankshares common stock to be issued under this joint proxy statement-prospectus or determined if this joint proxy statement-prospectus is accurate or adequate. Any representation to the contrary is a criminal offense.

The shares of American River Bankshares common stock offered by this joint proxy statement-prospectus are not savings accounts, deposits or other obligations of American River Bank or Bank of Amador or any subsidiary of any of the parties and are not insured by the Federal Deposit Insurance Corporation or any other governmental agency.

The date of this joint proxy statement-prospectus is _____, 2004, and is first

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

being mailed to American River Bankshares and Bank of Amador shareholders on or about _____, 2004.

[AMRBK LOGO]

AMERICAN RIVER BANKSHARES
NOTICE OF SPECIAL MEETING OF SHAREHOLDERS
TO BE HELD ON _____, 2004

To the shareholders of American River Bankshares:

Notice is hereby given that a special meeting of shareholders of American River Bankshares will be held on _____, 2004, __:__ .m., local time, at 1545 River Park Drive, Suite 107, Sacramento, California for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Reorganization and Merger, dated as of July 8, 2004, among American River Bankshares, American River Bank and Bank of Amador and the transactions contemplated by the Agreement and Plan of Reorganization and Merger, including the resulting issuance of shares of American River Bankshares common stock in connection with the merger of Bank of Amador into American River Bank. The terms and conditions of the transaction are more fully described in the accompanying joint proxy statement-prospectus.
2. To approve the adjournment of the special meeting for any permitted purpose, including, if necessary, to solicit additional proxies in the event that there are not sufficient votes required to approve the merger as of the date of the special meeting.

The board of directors of American River Bankshares has unanimously approved the transactions described above and unanimously recommends that you vote in favor of the proposals at the special meeting.

Shareholders of record at the close of business on _____, 2004, are entitled to notice of the special meeting and to vote at the special meeting or any adjournments or postponements of the special meeting.

By Order Of The Board Of Directors,

Stephen H. Waks, Secretary

Whether or not you plan to attend the special meeting in person, please complete, date, sign and return the enclosed proxy card in the enclosed envelope. No postage is required if you mail the proxy card in the United States. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card.

[BNKA LOGO]

Bank of Amador
Notice of Special Meeting of Shareholders
to be held on _____, 2004

To the shareholders of Bank of Amador:

Notice is hereby given that a special meeting of shareholders of Bank of Amador will be held on _____, 2004, __:__ .m., local time, at 422

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Sutter Street, Jackson, California for the following purposes:

1. To consider and vote on a proposal to approve the Agreement and Plan of Reorganization and Merger, dated as of July 8, 2004, among American River Bankshares, American River Bank and Bank of Amador, and the transactions contemplated by the Agreement and Plan of Reorganization and Merger, including the merger of Bank of Amador into American River Bank. The terms and conditions of the transaction are more fully described in the accompanying joint proxy statement-prospectus.
2. To approve the adjournment of the special meeting for any permitted purpose, including, if necessary, to solicit additional proxies in the event that there are not sufficient votes required to approve the merger as of the date of the special meeting.

The board of directors of Bank of Amador has unanimously approved the transaction described above and unanimously recommends that you vote in favor of the proposal at the special meeting.

Shareholders of record at the close of business on _____, 2004, are entitled to notice of the special meeting and to vote at the special meeting or any adjournments or postponements of the special meeting.

By Order Of The Board Of Directors,

Gareth Abel, Secretary

Whether or not you plan to attend the special meeting in person, please complete, date, sign and return the enclosed proxy card in the enclosed envelope. No postage is required if you mail the proxy card in the United States. If you attend the special meeting, you may vote in person if you wish, even if you have previously returned your proxy card.

TABLE OF CONTENTS

	Page

QUESTIONS AND ANSWERS ABOUT THE MERGER AGREEMENT AND MERGER.....	1
SUMMARY.....	4
Information About American River Bankshares and American River Bank.....	4
Information About Bank of Amador.....	5
Consideration to be Received in the Merger.....	5
Special Meetings of Shareholders.....	6
Conditions to the Completion of the Merger.....	6
Termination of the Merger Agreement.....	7
Termination Fees.....	8
Fees and Expenses of the Merger.....	9
Reasons for the Merger and Recommendations of the Boards of Directors.....	9
Opinions of Financial Advisors.....	10
Federal Income Tax Consequences.....	10
Accounting for the Merger.....	11
Interests of Officers and Directors in the Merger.....	11
Dissenters' Rights.....	12
Comparative Per Share Market Price and Dividend Information.....	13
Comparison of Shareholder Rights.....	14

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Forward-Looking Statements.....	14
Selected Historical and Pro Forma Financial Data.....	14
UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION.....	18
Historical and Pro Forma Per Share Data for American River Bankshares and Bank of Amador.....	24
RISK FACTORS.....	25
Risks Related to the Merger.....	25
Risks Related to American River Bankshares Following Completion of the Merger.....	26
INFORMATION REGARDING FORWARD-LOOKING STATEMENTS.....	29
INTRODUCTION.....	31
The Special Meetings: Dates, Times and Places.....	31
Purpose of the Meetings.....	31
Merger Proposal.....	31
Record Date and Outstanding Shares.....	31
Voting and Vote Required.....	32
Solicitation of Proxies.....	32
Voting of Proxies.....	33
INFORMATION ABOUT AMERICAN RIVER BANKSHARES AND AMERICAN RIVER BANK.....	35
General Development of Business.....	35
Competition.....	36
Properties.....	37
Legal Proceedings.....	38
Security Ownership of Directors, Executive Officers and 5% Shareholders.....	38
Background and Business Experience of Directors and Executive Officers.....	40
Committees of the Board of Directors.....	42
Compensation of Directors.....	44
Board Compensation Committee Report on Executive Compensation.....	46

- i -

	Page

Executive Compensation.....	47
Employment Contracts and Termination of Employment and Change in Control Arrangements.....	49
Other Compensation Arrangements.....	50
Equity Compensation Plan Information.....	50
Comparison of American River Bankshares Shareholders' Return.....	50
Transactions with Management and Others.....	52
Indebtedness of Management.....	52
Section 16(a) Beneficial Ownership Reporting Compliance.....	52
Code of Ethics.....	52
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF AMERICAN RIVER BANKSHARES.....	54
Critical Accounting Policies.....	54
General Development of Business.....	55
Overview.....	56
Results of Operations.....	57
Risk Elements.....	70
Deposits.....	76
Other Borrowed Funds.....	76
Capital Resources.....	77
Off-Balance Sheet Items.....	78
Contractual Obligations.....	78
Other Matters.....	79
Quantitative and Qualitative Disclosures about Market Risk.....	79
Inflation.....	79

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Liquidity.....	82
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.....	87
INFORMATION ABOUT BANK OF AMADOR.....	88
General Development of Business.....	88
Competition.....	89
Properties.....	90
Legal Proceedings.....	90
Security Ownership of Directors, Executive Officers and 5% Shareholders.....	91
Background and Business Experience of Directors and Executive Officers.....	92
Compensation of Directors.....	93
Executive Compensation.....	94
Employment Contracts and Termination of Employment and Change in Control Arrangements.....	96
Equity Compensation Plan Information.....	96
Transactions with Management and Others.....	97
Indebtedness of Management.....	97
Section 16(a) Beneficial Ownership Reporting Compliance.....	97
MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS OF BANK OF AMADOR.....	98
Overview.....	98
Results of Operations.....	98
Risk Elements.....	106
Deposits.....	108
Liquidity.....	109
Capital Resources.....	111

- ii -

	Page

Inflation.....	112
Commitments, Contingent Liabilities and Off-Balance Sheet Arrangements.....	112
Other Matters.....	114
Quantitative and Qualitative Disclosures about Market Risk.....	115
Changes in and Disagreements with Accountants on Accounting and Financial Disclosure.....	117
THE MERGER.....	118
General.....	118
Background of the Merger.....	118
Reasons for the Merger and Recommendations of the Boards of Directors.....	123
Consideration to be Received in the Merger.....	126
Bank of Amador Stock Option Plan.....	127
Opinions of Financial Advisors.....	128
Interests of Officers and Directors in the Merger.....	142
Conduct of Business Pending the Merger.....	143
Additional Agreements.....	146
Representations and Warranties.....	147
Conditions to the Completion of the Merger.....	148
Termination of the Merger Agreement.....	151
Termination Fees.....	152
Expenses of the Merger.....	153
Amendment.....	153
Extension; Waiver.....	153
Management and Operations Following the Merger.....	154
Required Government Approvals.....	154

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Accounting Treatment.....	156
Resales of American River Bankshares Common Stock.....	156
FEDERAL INCOME TAX CONSEQUENCES.....	158
General.....	158
Tax Opinion of Perry-Smith LLP.....	158
Consequences to Bank of Amador Shareholders.....	159
Warning Regarding Federal Income Tax Opinions.....	163
DISSENTERS' RIGHTS - American River Bankshares.....	164
DISSENTERS' RIGHTS - Bank of Amador.....	165
MARKET PRICE AND DIVIDEND INFORMATION.....	167
Market Quotations.....	167
Dividends and Distributions.....	168
Changes in Securities, Use of Proceeds and Issuer Purchases of Equity Securities....	170
COMPARISON OF SHAREHOLDER RIGHTS.....	171
General.....	171
Anti-Takeover Measures.....	171
Quorum Requirements.....	171
Indemnification of Directors and Executive Officers.....	171
Shareholder Meetings and Action by Written Consent.....	173
Cumulative Voting.....	173
Amendment of Articles and Bylaws.....	173
Filling Vacancies on the Board of Directors.....	174
Classified Board Provisions.....	175
Call of Annual or Special Meeting of Shareholders.....	175
DESCRIPTION OF AMERICAN RIVER BANKSHARES CAPITAL STOCK.....	176
DESCRIPTION OF BANK OF AMADOR CAPITAL STOCK.....	176

- iii -

	Page

SUPERVISION AND REGULATION.....	177
General.....	177
Capital Standards.....	178
Prompt Corrective Action	179
Additional Regulations.....	180
Limitations on Dividends.....	181
Impact of Legislative and Regulatory Proposals.....	181
EXPERTS.....	188
LEGAL MATTERS.....	188
WHERE YOU CAN FIND MORE INFORMATION.....	188
INDEX TO FINANCIAL STATEMENTS.....	190
ANNEX A	Agreement and Plan of Reorganization and Merger, dated as of July 8, 2004
ANNEX B	Sandler O'Neill & Partners, L.P. Fairness Opinion
ANNEX C	Hoefer & Arnett Incorporated Fairness Opinion
ANNEX D	Chapter 13 Dissenters' Rights

- iv -

QUESTIONS AND ANSWERS ABOUT THE MERGER AGREEMENT AND MERGER

THIS QUESTION AND ANSWER SUMMARY HIGHLIGHTS SELECTED INFORMATION CONTAINED IN OTHER SECTIONS OF THIS JOINT PROXY STATEMENT-PROSPECTUS. TO

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

UNDERSTAND THE MERGER MORE FULLY, YOU SHOULD CAREFULLY READ THIS ENTIRE JOINT PROXY STATEMENT-PROSPECTUS, INCLUDING ALL ANNEXES AND FINANCIAL STATEMENTS.

Q: Whom should I contact with questions or to obtain additional copies of this joint proxy statement-prospectus or information incorporated by reference into this joint proxy statement-prospectus?

A: You may contact:

American River Bankshares
1545 River Park Drive, Suite 107
Sacramento, California 95815
Attention: David T. Taber, President
(916) 565-6100

Bank of Amador
422 Sutter Street
Jackson, California 95642
Attention: Larry D. Standing, President
(209) 223-2320

See also "Where You Can Find More Information" on page 188.

Q: Why is this transaction being proposed?

A: American River Bankshares and Bank of Amador are proposing this transaction because their respective boards of directors have concluded that a combination of the two organizations is in the best interests of shareholders of American River Bankshares and Bank of Amador and that the combined companies can offer a broader array of services and products than each could offer on its own.

Q: As a holder of Bank of Amador common stock, what will I receive in the merger?

A: In the merger, each share of Bank of Amador common stock outstanding at the effective time of the merger will be converted into the right to receive cash and a number of shares of American River Bankshares common stock, subject to potential adjustments prior to the closing of the merger. Any fractional shares will be paid in cash. See "Consideration to be Received in the Merger" on page 126.

Q: What will happen to Bank of Amador in this merger?

A: Bank of Amador will merge with and into American River Bank and American River Bank will continue to operate as a wholly-owned subsidiary of American River Bankshares. Upon consummation of the merger, American River Bank will conduct operations at the former offices of Bank of Amador under the name "Bank of Amador, a division of American River Bank."

Q: Will the merger be tax-free to me?

A: The merger of Bank of Amador with and into American River Bank is intended to be a tax-free reorganization for federal income tax purposes for the companies and their shareholders. In general, Bank of Amador shareholders will not recognize gain or loss on the exchange of their stock, but will recognize gain or loss on account of cash received for Bank of Amador shares and received for fractional shares or dissenting shares. American River Bankshares shareholders will not recognize any gain or loss in connection with the merger. To review the

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

tax consequences to American River Bankshares and Bank of Amador shareholders in greater detail, see "The Merger -- Federal Income Tax Consequences" on page 158.

Q: What risks should I consider?

A: You should carefully read the information set forth in this joint proxy statement-prospectus and also consider other specified risk factors. See "Risk Factors" on page 25.

Q: How do I vote?

A: Simply indicate on your proxy card how you want to vote and then sign and mail your proxy card in the enclosed return envelope as soon as possible so that your shares may be represented at the special meeting. See "Introduction -- Voting of Proxies -- Submitting Proxies" commencing on page 33.

Q: If my shares are held in "street name" by my broker, will my broker vote my shares for me?

A: Your broker will not vote your shares for you unless you provide instructions to your broker on how to vote. See "Introduction-- Voting of Proxies-- Submitting Proxies" commencing on page 33.

Q: How does the merger affect outstanding options to purchase Bank of Amador common stock?

A: Each person, except directors and executive officers of Bank of Amador, holding one or more options to purchase Bank of Amador common stock pursuant to the Bank of Amador 1998 Stock Option Plan has the right, in his or her discretion, prior to the effective date of the merger, to either (i) exercise any vested portion of the option, or (ii) surrender his or her stock option agreement and receive a cash payment for the option at a price equal to (A) the difference between (1) the per share consideration used to compute the conversion ratio in the merger and (2) the per share exercise price applicable to such option; (B) multiplied by the total number of Bank of Amador shares subject to such option. See "Bank of Amador Stock Option Plan" on page 127.

Q: Can I change my vote after I have mailed my signed proxy card?

A: Yes. If you vote by returning a proxy card, you may change your vote at any time before your proxy is voted at the special meeting. If your shares are held in your name, you may do this in one of three ways. First, you may send a written notice stating that you would like to revoke your proxy. Second, you may complete and submit a new proxy card. If you choose either of these two methods, you must submit your notice of revocation or your new proxy card to the appropriate address in the first paragraph of the notice of the special meetings for American River Bankshares and Bank of Amador and it must be received prior to the vote at the respective special meeting. Third, you may attend the special meeting and vote in person if you tell the Secretary that you want to cancel your proxy and vote in person. Simply attending the special meeting, however, will not revoke your proxy. See "Introduction -- Voting of Proxies - Revoking Proxies" commencing on page 33.

Q: Should I send in my Bank of Amador stock certificates now?

A: No. After the merger is completed, the exchange agent appointed by American River Bankshares will send you written instructions for exchanging your Bank of Amador stock certificates.

Q: When do you expect the merger to be completed?

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

A: We are working toward completing this merger as quickly as possible. We currently expect to complete this merger during the fourth quarter of 2004.

Q: Why have you sent me this document?

A: The joint proxy statement-prospectus contains important information

2

regarding the proposed merger, as well as information about American River Bankshares and Bank of Amador. It also contains important information about what the boards of directors and management of American River Bankshares and Bank of Amador, respectively, considered in evaluating this proposed merger. We urge you to read this document carefully, including its attachments. You may also want to review the documents listed under "Where You Can Find More Information" on page 188.

3

SUMMARY

This summary highlights selected information in this joint proxy statement-prospectus and may not contain all of the information that is important to you. To understand the Agreement and Plan of Reorganization and Merger dated as of July 8, 2004, which is referred to as the "merger agreement" in this summary and throughout the remainder of this joint proxy statement-prospectus, and the merger fully and for a more complete description of the terms of the merger agreement and the merger, you should carefully read this entire document and the other documents to which we have referred you. See "Where You Can Find More Information" on page 188. The merger agreement is attached as Annex A to this document. We encourage you to read the merger agreement. It is the legal document that governs the proposed transaction.

INFORMATION ABOUT AMERICAN RIVER BANKSHARES AND AMERICAN RIVER BANK (PAGE 35)

American River Bankshares and American River Bank
1545 River Park Drive, Suite 107
Sacramento, California 95815
(916) 565-6100

American River Bankshares is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. The common stock of American River Bankshares is registered under Section 12(g) of the Securities Exchange Act of 1934, as amended, and is subject to the periodic reporting requirements of Section 13 of the Securities Exchange Act of 1934, which include, but are not limited to, the filing of annual, quarterly, and other current reports with the Securities and Exchange Commission. Its common stock is listed for trading on the Nasdaq National Market under the symbol "AMRB."

American River Bankshares was incorporated under the laws of the State of California in 1995 under the name American River Holdings and changed its name in 2004 to American River Bankshares. As a bank holding company, American River Bankshares is authorized to engage in the activities permitted under the Bank Holding Company Act of 1956, as amended, and regulations thereunder. Its principal office is located at 1545 River Park Drive, Suite 107, Sacramento, California 95815 and its telephone number is (916) 565-6100.

American River Bankshares owns 100% of the issued and outstanding common shares of American River Bank, a California state chartered bank, and American River Financial, a California corporation which has been inactive since its incorporation in 2003. American River Bank was incorporated and commenced

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

business in Fair Oaks, California, in 1983 and thereafter moved its headquarters office to Sacramento, California in 1985. American River Bank operates five full service offices in Sacramento and Placer Counties. It also operates three full service offices in Sonoma County under the name "North Coast Bank, a division of American River Bank" resulting from the merger of North Coast Bank with and into American River Bank in 2003. American River Bank owns 100% of two inactive companies, ARBCO and American River Mortgage. ARBCO was formed in 1984 to conduct real estate development and has been inactive since 1995. American River Mortgage has been inactive since its formation in 1994. American River Bank is subject to the supervision of, and is regularly examined by, the California Department of Financial Institutions and the Federal Deposit Insurance Corporation. American River Bank offers a full range of commercial banking services and its deposits are insured by the Federal Deposit Insurance Corporation up to the maximum legal limit. Its principal office is located at 1545 River Park Drive, Suite 107, Sacramento, California 95815 and its telephone number is (916) 565-6100.

4

INFORMATION ABOUT BANK OF AMADOR (PAGE 88)

Bank of Amador
422 Sutter Street
Jackson, California 95642
(209) 223-2320

Bank of Amador is a California state chartered bank that commenced business on November 21, 1983, and operates three full service offices and a data processing center in Amador County. The common stock of Bank of Amador is registered under Section 12(g) of the Securities Exchange Act of 1934, as amended and is subject to the periodic reporting requirements of Section 13 of the Securities Exchange Act of 1934, which include, but are not limited to, the filing of annual, quarterly, and other current reports with the Federal Deposit Insurance Corporation. Its common stock is not listed on any exchange and is traded in the over-the-counter market and quoted on the OTC Bulletin Board under the symbol "BNKA." Bank of Amador has no subsidiaries. Bank of Amador is subject to the supervision of, and is regularly examined by, the California Department of Financial Institutions and the Federal Deposit Insurance Corporation. Bank of Amador offers a full range of commercial banking services and its deposits are insured by the Federal Deposit Insurance Corporation up to the maximum legal limit. Its principal office is located at 422 Sutter Street, Jackson, California 95642 and its telephone number is (209) 223-2320.

CONSIDERATION TO BE RECEIVED IN THE MERGER (PAGE 126)

When the transactions contemplated by the merger agreement, including the merger, are completed, each share of Bank of Amador common stock issued and outstanding immediately prior to the effective time of the merger, except dissenting shares, will be converted into the right to receive the following:

- o cash in the amount of \$6.825; and
- o a number of shares of American River Bankshares common stock equal to:
 - o 0.6851 shares of American River Bankshares common stock if the American River Bankshares measuring price is \$18.50 or lower;
 - o 0.5394 shares of American River Bankshares common stock if the American River Bankshares measuring price is

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

\$23.50 or higher; or

- o the number of shares of American River Bankshares common stock equal to 12.675 divided by the American River Bankshares measuring price if the American River Bankshares measuring price is between \$18.50 and \$23.50.

The "American River Bankshares measuring price" means the average closing price of American River Bankshares common stock as traded on the Nasdaq National Market over the twenty (20) consecutive trading day period ending on the second business day prior to the closing date.

The aggregate cash payment to be made by American River Bankshares under the merger agreement based on the above conversion formula is subject to the holdback from payment by American River Bankshares of an aggregate amount of \$1,362,000 until the earlier of (i) the payment in full of the balance due, or (ii) the final determination of the amount of loss, if any, related to a construction loan held

5

in the loan portfolio of Bank of Amador. In the event that the conditions described for release of the holdback amount are not satisfied by the closing date, the holdback amount will be withheld on a prorata basis among all Bank of Amador shareholders otherwise entitled to receipt of their prorata portion of the cash payable to them under the above conversion formula until the conditions are satisfied. See "The Merger--Consideration to be Received in the Merger" on page 126 and the sections 2.1 and 2.8 of the merger agreement.

No fractional shares of American River Bankshares common stock will be issued to holders of Bank of Amador common stock. Instead, each holder entitled to a fraction of a share will receive, at the time of surrender of the certificate or certificates representing the holder's shares, an amount in cash equal to the American River Bankshares measuring price multiplied by the amount of a fractional share.

SPECIAL MEETINGS OF SHAREHOLDERS (PAGE 31)

American River Bankshares

You can vote at the special meeting of American River Bankshares shareholders if you owned American River Bankshares common stock at the close of business on the record date, _____, 2004. You can cast one vote for each share of American River Bankshares common stock that you owned at that time. In order to approve the merger of Bank of Amador with and into American River Bank, a wholly owned subsidiary of American River Bankshares, the holders of at least a majority of the outstanding shares of American River Bankshares common stock on the record date must vote in its favor. You can vote your shares by attending the American River Bankshares special meeting and voting in person, or you can mark the enclosed proxy card with your vote, sign it and mail it in the enclosed return envelope. You can revoke your proxy until the voting at the special meeting by submitting a written revocation, by sending in a new proxy or by attending the special meeting and voting in person.

Bank of Amador

You can vote at the special meeting of Bank of Amador shareholders if you owned Bank of Amador common stock at the close of business on the record date, _____, 2004. You can cast one vote for each share of Bank of Amador common stock that you owned at that time. In order to approve the merger of Bank of Amador with and into American River Bank, a wholly owned subsidiary of

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

American River Bankshares, the holders of at least a majority of the outstanding shares of Bank of Amador common stock on the record date must vote in its favor. You can vote your shares by attending the Bank of Amador special meeting and voting in person, or you can mark the enclosed proxy card with your vote, sign it and mail it in the enclosed return envelope. You can revoke your proxy until the voting at the special meeting by submitting a written revocation, by sending in a new proxy or by attending the special meeting and voting in person.

CONDITIONS TO THE COMPLETION OF THE MERGER (PAGE 148)

We will not complete the merger unless a number of conditions are satisfied. These include:

- o approval of the merger, by American River Bankshares shareholders and by Bank of Amador shareholders;
- o receipt of all required governmental approvals;
- o absence of any governmental proceeding that would prohibit the merger;

6

- o receipt of a tax opinion to the effect that the merger will be treated as a tax-free reorganization under the Internal Revenue Code;
- o absence of any orders suspending the effectiveness of the American River Bankshares registration statement on Form S-4 filed with the Securities and Exchange Commission registering the shares of American River Bankshares common stock to be issued to Bank of Amador shareholders in exchange for shares of Bank of Amador common stock and receipt of all required state securities law approvals;
- o receipt of written fairness opinions dated as of a date as close as practicable to the mailing date or the date of this joint proxy statement-prospectus from American River Bankshares' and Bank of Amador's financial advisors; and
- o other customary conditions.

American River Bankshares or Bank of Amador could decide to complete the merger even though one or more of these conditions has not been met. It is not certain when or if the conditions to the merger will be satisfied or waived, or if the merger will be completed.

TERMINATION OF THE MERGER AGREEMENT (PAGE 151)

We can terminate the merger agreement at any time before the merger is completed, even if the shareholders of American River Bankshares and/or Bank of Amador have approved the merger agreement. The merger agreement can be terminated either by our mutual agreement or by one of us upon the occurrence of particular events.

Either American River Bankshares or Bank of Amador can terminate the merger agreement if:

- o The merger is not completed by June 30, 2005, unless this date is further extended by mutual agreement;

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

- o Any governmental agency denies or refuses to grant a required approval of the merger, unless we agree to appeal the denial or refusal or we agree to file an amended application for the governmental approval; or
- o The shareholders of American River Bankshares or Bank of Amador fail to approve the merger.

American River Bankshares can terminate the merger agreement if:

- o Any of the conditions to American River Bankshares' obligations under the merger agreement are not satisfied or waived;
- o A material adverse change has occurred in the business, financial condition, results of operations or assets of Bank of Amador;
- o Bank of Amador enters into an agreement by which it would be acquired by another entity;
- o Bank of Amador breaches any covenant in the merger agreement which materially impairs the benefit of the merger to American River Bankshares, unless Bank of Amador cures the breach within 45 days after written notice from American River Bankshares; or

7

- o Bank of Amador fails to deliver to American River Bankshares the documents required for the merger.

Bank of Amador can terminate the merger agreement if:

- o Any of the conditions to Bank of Amador's obligations under the merger agreement are not satisfied or waived;
- o A material adverse change has occurred in the business, financial condition, results of operations or assets of American River Bankshares;
- o American River Bankshares breaches any covenant in the merger agreement which materially impairs the benefit of the merger to Bank of Amador unless American River Bankshares cures the breach within 45 days after receipt of written notice from Bank of Amador; or
- o American River Bankshares fails to deliver to Bank of Amador the documents required for the merger.

TERMINATION FEES (PAGE 152)

Bank of Amador is required to pay American River Bankshares \$1.2 million in liquidated damages if American River Bankshares terminates the merger agreement for any of the following reasons:

- o If Bank of Amador or its affiliates enters into an agreement by which Bank of Amador would be acquired by another entity;
- o If Bank of Amador willfully or deliberately breaches any covenant, condition to closing or agreement in the merger agreement which materially impairs the benefit of the merger to American River Bankshares, provided that compliance was not

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

beyond the reasonable control of Bank of Amador, or unless Bank of Amador cures the breach within 45 days after written notice from American River Bankshares; or

- o If Bank of Amador willfully or deliberately refuses to deliver to American River Bankshares closing documents required by the merger agreement, provided that compliance was not beyond the reasonable control of Bank of Amador.

American River Bankshares is required to pay Bank of Amador \$400,000 in liquidated damages if Bank of Amador terminates the merger agreement for any of the following reasons:

- o If American River Bankshares willfully or deliberately breaches any covenant in the merger agreement which materially impairs the benefit of the merger to Bank of Amador, provided that compliance was not beyond the reasonable control of American River Bankshares, or unless American River Bankshares cures the breach within 45 days after written notice from Bank of Amador; or
- o If American River Bankshares willfully or deliberately refuses to deliver to Bank of Amador closing documents required by the merger agreement, provided that compliance was not beyond the reasonable control of American River Bankshares.

8

EXPENSES OF THE MERGER (PAGE 153)

Other than in the situations described in "-- Termination Fees" above and for expenses which we have agreed to share equally, whether or not the merger is completed in accordance with the merger agreement, all costs and expenses incurred in connection with the merger agreement and the transactions covered by the merger agreement will be paid by the party incurring those expenses.

REASONS FOR THE MERGER AND RECOMMENDATIONS OF THE BOARDS OF DIRECTORS (PAGE 123)

The boards of directors of American River Bankshares, American River Bank and Bank of Amador believe that the merger is in the best interests of their respective institutions, shareholders, communities and banking customers. Each board expects that American River Bank, as a larger independent financial institution in multiple and diverse markets, will be stronger in terms of growth opportunities and profitability than is either institution standing alone at present. American River Bankshares and American River Bank will also have the advantage of consolidation and centralization of management and operations functions and economies of scale. Furthermore, it is believed that American River Bank, as a stronger independent financial institution with a primary market area covering a greater geographic area, will be better able to compete with major banks in the communities now served by each institution.

American River Bankshares

The board of directors of American River Bankshares believes that the merger is fair to you and in your best interests and unanimously recommends that you vote "FOR" the proposal to approve the merger agreement and the merger.

The directors and executive officers of American River Bankshares have, to the extent required by the merger agreement, entered into Shareholder Agreements with Bank of Amador, agreeing to vote all of his or her shares of

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

American River Bankshares common stock in favor of the merger agreement and the merger, and in the case of directors, also agreeing to recommend that all other shareholders of American River Bankshares vote in favor of the merger agreement and the merger. As of the record date, the directors and executive officers of American River Bankshares and their affiliates own an aggregate of 465,843 shares of American River Bankshares common stock, representing approximately 10.9% of all American River Bankshares common stock currently issued and outstanding (excluding 175,649 shares subject to options exercisable currently or within 60 days of the record date).

In evaluating the recommendations of the board of directors summarized above, American River Bankshares shareholders should carefully consider the matters described under "Risk Factors" on page 25 and "The Merger -- Background of the Merger--American River Bankshares" on page 118 and "--Reasons for the Merger and Recommendations of the Boards of Directors--American River Bankshares" on page 123.

Bank of Amador

The board of directors of Bank of Amador believes that the merger is fair to you and in your best interests and unanimously recommends that you vote "FOR" the proposal to approve the merger agreement and the merger.

The directors and executive officers of the Bank of Amador have, to the extent required by the merger agreement, entered into Shareholder Agreements with American River Bankshares, agreeing to vote all of his or her shares of Bank of Amador common stock in favor of the merger agreement and the

9

merger, and in the case of directors, also agreeing to recommend that all other shareholders of Bank of Amador vote in favor of the merger agreement and the merger. The directors and executive officers of Bank of Amador and their affiliates own an aggregate of 429,198 shares of Bank of Amador common stock, representing approximately 27.4% of all Bank of Amador common stock currently issued and outstanding (excluding 209,016 shares subject to options exercisable currently or within 60 days of the record date).

In evaluating the recommendations of the board of directors summarized above, Bank of Amador shareholders should carefully consider the matters described under "Risk Factors" on page 25 and "The Merger -- Background of the Merger--Bank of Amador" on page 121 and "--Reasons for the Merger and Recommendations of the Boards of Directors--Bank of Amador" on page 124.

OPINIONS OF FINANCIAL ADVISORS (PAGE 128)

American River Bankshares

Sandler O'Neill & Partners, L.P. has rendered an opinion, dated July 8, 2004 and updated to _____, 2004, to the American River Bankshares board of directors, that the consideration to be paid by American River Bankshares to Bank of Amador shareholders under the merger agreement is fair, from a financial point of view, to American River Bankshares, as of the date of the opinion. The updated opinion of Sandler O'Neill & Partners, L.P., which sets forth assumptions made, matters considered and limits of review undertaken by Sandler O'Neill & Partners, L.P., is attached to this joint proxy statement-prospectus as Annex B. AMERICAN RIVER BANKSHARES SHAREHOLDERS ARE URGED TO READ THE SANDLER O'NEILL OPINION IN ITS ENTIRETY. See "The Merger -- Opinions of Financial Advisors -- American River Bankshares" on page 128. Sandler O'Neill & Partners, L.P. has been paid a fee of \$75,000 in connection with rendering its services related to the merger and delivering its opinion.

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Sandler O'Neill's opinion is not a recommendation to any American River Bankshares shareholder as to how such shareholder should vote at the special meeting with respect to the merger or any other matter.

Bank of Amador

Hoefer & Arnett Incorporated has rendered an opinion, dated July 8, 2004 and updated to _____, 2004, to the Bank of Amador board of directors, that the merger agreement, the merger and the consideration to be paid by American River Bankshares to Bank of Amador shareholders under the merger agreement is fair, from a financial point of view, to the shareholders of Bank of Amador, as of the date of the opinion. The Hoefer & Arnett fairness opinion, which sets forth assumptions made, matters considered and limits of review undertaken by Hoefer & Arnett is attached to this joint proxy statement-prospectus as Annex C. BANK OF AMADOR SHAREHOLDERS ARE URGED TO READ THE HOEFER & ARNETT OPINION IN ITS ENTIRETY. See "The Merger -- Opinions of Financial Advisors -- Bank of Amador" on page 137, which also contains a discussion of the fees to be paid to Hoefer & Arnett, which will be in the amount of approximately \$38,000.

Hoefer & Arnett's opinion is not a recommendation to any Bank of Amador shareholder as to how such shareholder should vote at the special meeting with respect to the merger or any other matter.

FEDERAL INCOME TAX CONSEQUENCES (PAGE 158)

The merger agreement and merger have been structured so that, in general, American River Bankshares, American River Bank and Bank of Amador and the shareholders of American River Bankshares and Bank of Amador will not recognize gain or loss for federal income tax purposes in the merger, except for taxes payable because of cash received by Bank of Amador shareholders for their shares, for fractional shares or because of dissenting shares. It is a condition, at the closing of the merger,

10

that American River Bankshares and Bank of Amador receive an opinion from Perry-Smith LLP to the effect, among other matters, that the merger should qualify as a tax-free reorganization.

TAX MATTERS ARE VERY COMPLICATED. THE TAX CONSEQUENCES OF THE MERGER TO YOU WILL DEPEND ON THE FACTS OF YOUR OWN SITUATION. WE URGE YOU TO CONSULT YOUR OWN TAX ADVISORS AS TO THE SPECIFIC TAX CONSEQUENCES TO YOU OF THE MERGER, INCLUDING THE APPLICABLE FEDERAL, STATE, LOCAL AND FOREIGN TAX LAWS.

ACCOUNTING TREATMENT (PAGE 156)

American River Bankshares must account for the merger as a purchase. Under this method of accounting, the assets and liabilities of the company acquired are recorded at their respective fair value as of completion of the merger, and are added to those of the acquiring company. Financial statements of the acquiring company issued after the merger takes place reflect these values, but are not restated retroactively to reflect the historical financial position or results of operations of the company that was acquired.

INTERESTS OF OFFICERS AND DIRECTORS IN THE MERGER (PAGE 142)

American River Bankshares

Some of American River Bankshares' directors and officers may have

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

interests in the merger that are different from, or in addition to, yours, which could create potential conflicts of interest. As a result, these directors and officers may be more likely to vote to approve the merger agreement and the merger than shareholders of American River Bankshares generally.

The merger agreement provides that the directors and executive officers of American River Bankshares will continue to serve as directors and executive officers following the merger. Consequently, they will be entitled to, as applicable, director fees, executive compensation, vesting of stock options, continuation of indemnification rights and other benefits which may be available to directors and executive officers. The members of the American River Bankshares and American River Bank's boards of directors knew about these additional interests, and considered them, when they approved the transactions contemplated by the merger agreement, including the merger.

As of the record date, directors and executive officers of American River Bankshares and their affiliates owned and were entitled to vote approximately 465,843 shares of American River Bankshares common stock, which represented approximately 10.9% of the shares of American River Bankshares common stock outstanding on that date (excluding 175,649 shares subject to options exercisable currently or within 60 days of the record date). Each of those directors has agreed to vote, or cause to be voted, the American River Bankshares common stock owned by him or her "FOR" approval of the merger agreement and the merger at American River Bankshares' special meeting.

Bank of Amador

Some of Bank of Amador's directors and officers may have interests in the merger that are different from, or in addition to, yours, which could create potential conflicts of interest. As a result, these directors and officers may be more likely to vote to approve the merger agreement and the merger than shareholders of Bank of Amador generally.

The merger agreement provides that Larry D. Standing and one other current director of Bank of Amador to be determined by mutual agreement of American River Bankshares and Bank of Amador, will

11

be appointed to the American River Bank board of directors. The non-employee director to be determined will be entitled to receive directors' fees, while Mr. Standing will not. Both directors will receive additional benefits which American River Bank extends to its directors including continuation of indemnification and liability insurance benefits. Under the merger agreement, immediately prior to the closing of the merger, the eight non-employee directors of Bank of Amador and its Senior Vice President and Chief Financial Officer will also receive cash payments in connection with the termination of their respective benefits under an agreement with directors to provide retirement benefits and a salary continuation agreement to provide retirement benefits to the Senior Vice President and Chief Financial Officer. The cash payments for these retirement benefits will be in the approximate aggregate amount of \$1,317,994. The Senior Vice President and Chief Financial Officer will also receive a cash severance payment in the approximate amount of \$40,128. In addition, all of the directors and executive officers holding vested stock options of Bank of Amador will receive cash payments in connection with the cancellation of their outstanding stock options in an amount equal to the difference between the American River Bankshares measuring price used to calculate the share exchange conversion ratio in the merger and the stock option exercise price. Bank of Amador's directors and executive officers hold vested stock options to acquire 209,016 shares of Bank of Amador common stock in the aggregate with an average exercise price of \$13.78 per share. Based on an

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

assumed American River Bankshares measuring price of \$19.50 per share, it is anticipated that Bank of Amador's directors and executive officers will receive an approximate amount of \$1,195,401 in the aggregate for the cancellation of their stock options if the merger is consummated. Mr. Standing will also be appointed as the President of the division of American River Bank to be known as "Bank of Amador, a division of American River Bank," and as a member of the executive management committee of American River Bankshares. Mr. Standing's existing retirement benefits under a director retirement agreement and a salary continuation agreement will be assumed by American River Bankshares. Mr. Standing will also enter into an employment agreement substantially in the form of Exhibit F to the merger agreement attached as Annex A to this joint proxy statement-prospectus. Consequently, Mr. Standing will also be entitled to participate in the benefits described in his employment agreement. The members of the Bank of Amador board of directors knew about these additional interests, and considered them, when they approved the transactions contemplated by the merger agreement, including the merger.

As of the record date, directors and executive officers of Bank of Amador and their affiliates owned and were entitled to vote approximately 429,788 shares of Bank of Amador common stock, which represented approximately 27.4% of the shares of Bank of Amador common stock outstanding on that date (excluding 209,016 shares subject to options exercisable currently or within 60 days of the record date). Each of those directors has agreed to vote, or cause to be voted, the Bank of Amador common stock owned by him or her "FOR" approval of the merger agreement and the merger at Bank of Amador's special meeting.

DISSENTERS' RIGHTS (PAGE 164)

A copy of Chapter 13 of the California Corporations Code is attached as Annex D to this proxy statement-prospectus and should be read for more complete information concerning dissenters' rights. The required procedure set forth in Chapter 13 of the California Corporations Code must be followed exactly or any dissenters' rights may be lost.

American River Bankshares

If the holders of five percent (5%) or more of American River Bankshares common stock make a written demand upon American River Bankshares for the purchase of dissenting shares in accordance with Chapter 13 of the California Corporations Code and the merger is consummated, American River Bankshares shareholders who dissent from the merger by complying with the procedures set forth in

12

Chapter 13 of the Corporations Code would be entitled to receive an amount equal to the fair market value of their shares as of July 8, 2004, the last business day before the public announcement of the merger. American River Bankshares believes that the fair market value for dissenters' rights purposes is \$20.40 per share which represents the closing price for a share of American River Bankshares common stock as quoted on the Nasdaq Stock Market on July 8, 2004.

Bank of Amador

If the merger is consummated, Bank of Amador shareholders who dissent from the merger by complying with the procedures set forth in Chapter 13 of the Corporations Code would be entitled to receive an amount equal to the fair market value of their shares as of July 8, 2004, the last business day before the public announcement of the merger. Bank of Amador believes that the fair market value for dissenters' rights purposes is \$21.02 per share which

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

represents the closing price for a share of Bank of Amador common stock as quoted on the OTC Bulletin Board on July 8, 2004.

MARKET PRICE AND DIVIDEND INFORMATION (PAGE 167)

American River Bankshares common stock is held by approximately 1,336 shareholders and is listed and traded on the Nasdaq National Market under the symbol "AMRB." On July 8, 2004, the last trading date prior to the public announcement of the proposed merger, American River Bankshares common stock closed at \$20.40 per share. On _____, 2004, the latest practicable trading date prior to the printing of this joint proxy statement-prospectus, American River Bankshares common stock closed at \$_____ per share.

Bank of Amador common stock is held by approximately 900 shareholders and is quoted on the OTC Bulletin Board and traded in the over-the-counter market under the symbol "BNKA." On July 8, 2004, the last trading date prior to the public announcement of the proposed merger, the closing price of Bank of Amador common stock was quoted as \$21.02 per share. On _____, 2004, the latest practicable trading date prior to the printing of this joint proxy statement-prospectus, the closing price of Bank of Amador common stock was quoted as \$_____ per share.

Following the merger of Bank of Amador with and into American River Bank, no shares of Bank of Amador common stock will be outstanding, all of the shares of American River Bank will continue to be held by American River Bankshares, and American River Bankshares common stock will continue to be traded on the Nasdaq National Market.

Bank of Amador has declared cash dividends to its shareholders on a quarterly basis commencing with the first quarter of 2002 through the third quarter 2004. Bank of Amador declared cash dividends totaling \$0.88 per share in 2002, \$0.92 per share in 2003 and \$0.69 per share through the first three quarters of 2004.

American River Bankshares has declared cash dividends to its shareholders since the first quarter of 1992. From 1992 until the fourth quarter of 2003, American River Bankshares declared cash dividends on a semi-annual basis. Beginning in the first quarter of 2004, American River Bankshares began declaring cash dividends on a quarterly basis. American River Bankshares declared cash dividends totaling \$.23 per share in 2002, and \$.30 per share in 2003, and \$.345 per share in 2004. In addition, American River Bankshares distributed a 3 for 2 stock split in October of 2003 and a 5% stock dividend in October of 2002. It is the intention of American River Bankshares to continue declaring cash and stock dividends following the merger, subject to regulatory restrictions and depending upon the level of earnings, management's assessment of future capital needs and other factors considered by the American River Bankshares board of directors.

13

COMPARISON OF SHAREHOLDER RIGHTS (PAGE 171)

American River Bankshares

Your rights as a shareholder of American River Bankshares are currently governed by federal and California law and the articles of incorporation and bylaws of American River Bankshares, which are not anticipated to change as a result of the merger. There are differences between the articles of incorporation and bylaws of American River Bankshares and those of Bank of Amador.

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Bank of Amador

Your rights as a shareholder of Bank of Amador are currently governed by California law and the articles of incorporation and bylaws of Bank of Amador. If the merger is completed, your rights as an American River Bankshares shareholder will be governed by federal and California law, but will also be determined by American River Bankshares' articles of incorporation and bylaws. There are differences between the articles of incorporation and bylaws of American River Bankshares and those of Bank of Amador.

FORWARD-LOOKING STATEMENTS (PAGE 29)

Statements in this document and in the documents incorporated by reference are or may be forward-looking statements that involve risks and uncertainties. Actual results may differ materially from those expressed in the statements, depending on a variety of factors. You should carefully review all information, including the financial statements and the notes to the financial statements, included or incorporated by reference.

SELECTED HISTORICAL AND PRO FORMA FINANCIAL DATA (PAGE 15)

We are providing the following information to aid you in your analysis of the financial effects of the merger. The following tables show financial results, consisting of historical figures, actually achieved by each of American River Bankshares and Bank of Amador. The tables also show per share data, consisting of pro forma combined figures.

The financial information as of and for the six months ended June 30, 2004 and 2003 has been derived from the unaudited consolidated financial statements of American River Bankshares and the unaudited financial statements of Bank of Amador. In the opinion of management of American River Bankshares and Bank of Amador, respectively, all adjustments, consisting solely of normal recurring accruals, considered necessary for the fair presentation of the results for the periods presented have been included. Annual historical figures are derived from the consolidated financial statements of American River Bankshares and the financial statements of Bank of Amador as of December 31, 2003 and 2002. The historical figures for the other years presented have been derived from the audited consolidated financial statements of American River Bankshares and the audited financial statements of Bank of Amador.

We expect to incur merger and other non-recurring expenses as a result of the merger of Bank of Amador with and into American River Bank. We also anticipate that the merger will provide the combined institution with financial benefits such as a reduction in operating expenses and the opportunity to earn additional revenue. We have not reflected any of these anticipated cost savings or benefits in the pro forma financial information. Therefore, the pro forma financial information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not attempt to predict or suggest future results.

14

AMERICAN RIVER BANKSHARES
SELECTED HISTORICAL CONSOLIDATED FINANCIAL DATA
(in thousands, except per share amounts and ratios)

As of and for the
Six months ended June 30,

Years End

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

	2004	2003	2003	2002
STATEMENT OF OPERATIONS DATA				
Net interest income	9,060	8,356	16,866	15,073
Provision for loan or lease losses	429	412	946	644
Other income	1,451	1,091	2,253	2,323
Other expenses	6,212	5,115	10,372	9,389
Income before income taxes	3,870	3,920	7,801	7,363
Income taxes	1,283	1,568	3,060	2,904
Net income	2,587	2,352	4,741	4,459
PER SHARE DATA: (1)				
Earnings per share - basic	0.62	0.59	1.19	1.13
Earnings per share - diluted	0.59	0.55	1.10	1.05
Cash dividend per share	0.23	0.15	0.30	0.23
Book value per share	8.91	8.46	8.74	8.05
Tangible book value per share	8.89	8.45	8.73	8.04
BALANCE SHEET DATA:				
Balance sheet totals-end of period:				
Assets	431,097	356,421	397,393	342,563
Loans and leases, net	266,637	248,385	262,464	229,008
Deposits	350,022	294,497	322,507	275,796
Shareholders' equity	37,509	33,662	35,457	31,726
Average balance sheet amounts:				
Assets	409,232	350,137	363,175	309,574
Loans and leases	270,108	243,993	248,342	209,133
Earning assets	376,091	323,479	333,800	280,623
Deposits	331,062	284,100	279,883	263,323
Shareholder's equity	36,581	32,666	33,461	29,509
SELECTED RATIOS: (2)				
Return on average equity	14.22%	14.52%	14.17%	15.11%
Return on average tangible equity	14.25%	14.55%	14.20%	15.15%
Return on average assets	1.27%	1.35%	1.31%	1.44%
Efficiency ratio (noninterest expense to net interest income and noninterest income)	59.10%	54.14%	54.25%	53.97%
Average equity to average assets	8.94%	9.33%	9.21%	9.53%
Leveraged capital ratio	8.85%	9.08%	8.96%	8.93%
Nonperforming loans and leases to total loans and leases	0.03%	0.08%	0.07%	0.09%
Nonperforming assets to total assets	0.02%	0.06%	0.05%	0.06%
Net chargeoffs to average loans and leases	0.11%	0.09%	0.08%	0.03%
Allowance for loan or lease losses to total loans and leases	1.56%	1.39%	1.48%	1.38%
Allowance for loan or lease losses to nonperforming loans and leases	5291.3%	1714.7%	2181.6%	1551.9%

(1) Adjusted for 5% stock dividends in 2001 and 2002 and a 3 for 2 split in 2003.

(2) Selected ratios for the months ending June 30, 2004 and 2003 have been annualized.

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

(in thousands, except per share amounts and ratios)

	As of and for the Six months ended June 30,		Years Ended	
	2004	2003	2003	2002
STATEMENT OF OPERATIONS DATA				
Net interest income	2,684	2,664	5,415	4,884
Provision for loan or lease losses	35	54	104	102
Other income	314	245	522	354
Other expenses	1,424	1,226	2,574	2,339
Income before income taxes	1,539	1,629	3,259	2,797
Income taxes	565	595	1,195	1,000
Net Income	974	1,033	2,064	1,797
PER SHARE DATA:(1)				
Earnings per share - basic	0.63	0.68	1.36	1.21
Earnings per share - diluted	0.60	0.65	1.28	1.16
Cash dividends per share	0.46	0.46	0.92	0.88
Book value per share	9.63	9.92	9.67	9.51
Tangible book value per share	9.63	9.92	9.67	9.51
BALANCE SHEET DATA:				
Balance sheet totals-end of period:				
Assets	129,008	111,483	122,779	104,323
Loans and leases, net	79,367	72,689	74,899	64,154
Deposits	113,009	96,477	107,233	90,201
Shareholders' equity	15,077	14,328	14,973	13,644
Average balance sheet amounts:				
Assets	124,924	105,935	112,303	100,889
Loans and leases, net	76,469	68,827	71,896	55,664
Earning assets	115,709	100,512	105,203	95,654
Deposits	109,690	92,118	98,047	87,848
Shareholders' equity	14,538	13,257	13,594	12,443
SELECTED RATIOS:(2)				
Return on average equity	13.40%	15.58%	15.18%	14.44%
Return on average tangible equity	13.40%	15.58%	15.18%	14.44%
Return on average assets	1.56%	1.95%	1.84%	1.78%
Efficiency ratio (noninterest expense to net interest income and noninterest income)	48.66%	44.00%	41.54%	42.50%
Efficiency ratio excluding the amortization of intangibles and goodwill	48.66%	44.00%	41.54%	42.50%
Average equity to average assets	11.64%	12.51%	12.10%	12.33%
Leveraged capital ratio	11.72%	12.62%	11.99%	12.67%
Nonperforming loans and leases to total loans and leases	0.75%	0.51%	0.61%	0.16%
Nonperforming assets to total assets	0.47%	0.34%	0.38%	0.10%
Net chargeoffs (recoveries) to average loans and leases	0.00%	0.00%	0.00%	(0.01)%
Allowance for loan or lease losses to total loans and leases	1.04%	1.03%	1.07%	1.09%
Allowance for loan or lease losses to nonperforming loans and leases	138.08%	202.18%	174.51%	684.47%

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

- (1) Adjusted for 5% stock dividend in 2003.
 (2) Selected ratios for the months ending June 30, 2004 and 2003 have been annualized.

16

AMERICAN RIVER BANKSHARES AND BANK OF AMADOR
 SELECTED PRO FORMA COMBINED HISTORICAL FINANCIAL DATA
 (in thousands, except per share amounts and ratios)

	Six months ended June 30, 2004 -----	Year Ended December 31, 2003 -----
STATEMENT OF OPERATIONS DATA		
Net interest income	11,690	22,174
Provision for loan or lease losses	464	1,050
Other income	1,765	2,775
Other expenses	7,782	13,238
Income before income taxes	5,209	10,661
Income taxes	1,772	4,103
Net Income	3,437	6,558
PER SHARE DATA:		
Earnings per share - basic	0.66	1.32
Earnings per share - diluted	0.63	1.22
Cash dividends per share	0.230	0.297
Book value per share	10.90	10.84
Tangible book value per share	7.37	7.21
BALANCE SHEET DATA:		
Balance sheet totals-end of period:		
Assets	568,985	529,052
Loans and leases, net	346,004	337,363
Deposits	463,031	429,740
Shareholders' equity	56,996	54,841
Average balance sheet amounts:		
Assets	543,036	484,304
Loans and leases, net	346,577	320,184
Earning assets	481,110	428,259
Deposits	440,752	377,930
Shareholders' equity	55,530	51,466
SELECTED RATIOS: (1)		
Return on average equity	12.45%	12.74%
Return on average tangible equity	18.58%	19.62%
Return on average assets	1.27%	1.35%
Efficiency ratio (noninterest expense to net interest income and noninterest income)	57.84%	53.06%
Efficiency ratio excluding the amortization of intangibles and goodwill	56.75%	51.89%
Average equity to average assets	10.23%	10.63%
Leveraged capital ratio	7.12%	7.18%
Nonperforming loans and leases to total loans and leases	0.20%	0.19%
Nonperforming assets to total assets	0.12%	0.12%
Net chargeoffs (recoveries) to average loans and leases	0.08%	0.06%

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Allowance for loan or lease losses to total loans and leases	1.44%	1.13%
Allowance for loan or lease losses to nonperforming loans and leases	739.9%	598.6%

(1) Selected ratios for the month ended June 30, 2004 have been annualized.

17

UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

The following tables present financial data at and for the six months ended June 30, 2004 and for the year ended December 31, 2003 for American River Bankshares after giving effect to the completion of the proposed acquisition of Bank of Amador.

The pro forma financial data gives effect to the acquisition under the purchase accounting method in accordance with accounting principles generally accepted in the United States of America. The unaudited pro forma combined consolidated financial statements combine the historical consolidated financial statements of American River Bankshares and Bank of Amador giving effect to the acquisition of Bank of Amador as if it had been effective on June 30, 2004 with respect to the applicable unaudited pro forma combined consolidated balance sheet and as of the beginning of the period indicated with respect to the unaudited pro forma combined consolidated statements of income.

The information for the year ended December 31, 2003 is derived from American River Bankshares' audited consolidated financial statements, including the related notes, and from Bank of Amador's audited financial statements, including the related notes, reflected in the financial statements included in this joint proxy statement-prospectus. See "Index to Financial Statements" at page 190 of this proxy statement-prospectus.

American River Bankshares expects to incur reorganization and restructuring expenses as a result of the proposed acquisition. The effect of the estimated merger and reorganization costs expected to be incurred in connection with the proposed acquisition has not been reflected in the unaudited pro forma combined condensed consolidated balance sheet. American River Bankshares also anticipates that the acquisition will provide the combined company with some future financial benefits that include reduced operating expenses and opportunities to earn more revenue. However, American River Bankshares does not reflect any of these anticipated cost savings or benefits in the pro forma financial information. Therefore, the pro forma financial information, while helpful in illustrating the financial characteristics of the combined company under one set of assumptions, does not attempt to predict or suggest future results. The pro forma financial information also does not attempt to show how the combined company would actually have performed had the companies been combined throughout the periods presented. American River Bankshares has included in the pro forma financial statements all the adjustments necessary for a fair statement of results of the historical periods.

Given the information regarding the proposed acquisition, the actual consolidated financial position and results of operations will differ, perhaps significantly, from the pro forma amounts reflected herein because, among other reasons:

- o assumptions used in preparing the pro forma financial data may be revised in the future due to changes in values of assets or liabilities, including finalization of the calculation of a core

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

deposit intangible, and changes in operating results between the dates of the unaudited pro forma financial data and the date on which the acquisition takes place; and

- o adjustments may need to be made to the unaudited historical financial data upon which such pro forma data are based.

18

AMERICAN RIVER BANKSHARES & SUBSIDIARIES AND BANK OF AMADOR
 PRO FORMA COMBINED CONSOLIDATED BALANCE SHEET
 (Unaudited)
 JUNE 30, 2004
 (dollars in thousands)

	American River Bankshares	Bank of Amador	Adjus
	-----	-----	-----
ASSETS			
Cash and cash equivalents			
Cash and due from banks	\$ 27,407	\$ 5,309	\$
Federal funds sold	-	15,227	
	-----	-----	-----
Total cash and cash equivalents	27,407	20,536	
Interest-bearing deposits in banks	5,740	100	
Investment securities			
Available for sale, at fair value	81,963	23,912	
Held to maturity, at amortized cost	37,331	-	
Loans and leases, net of allowance for loan and lease losses	266,637	79,367	
Premises and equipment, net	1,796	303	
FHLB & FRB Stock	2,116	-	
Goodwill	63	-	
Core deposit intangible, net	-	-	
Other assets	8,044	4,790	
	-----	-----	-----
TOTAL ASSETS	\$ 431,097	\$ 129,008	\$
	=====	=====	=====
LIABILITIES AND SHAREHOLDERS' EQUITY			
LIABILITIES			
Deposits:			
Noninterest-bearing demand deposits	\$ 110,109	\$ 23,601	\$
Interest-bearing			
Demand deposits	145,676	11,470	
Savings	23,972	38,770	
Time Certificates	70,265	39,168	
	-----	-----	-----
Total deposits	350,022	113,009	
Other borrowed funds	40,716	-	
Accrued interest payable and other liabilities	2,850	923	
	-----	-----	-----
Total liabilities	393,588	113,932	
	-----	-----	-----

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

SHAREHOLDERS' EQUITY

Common stock	17,802	7,158
Retained Earnings	19,515	7,729
Accumulated other comprehensive loss, net of tax	192	189
	-----	-----
Total shareholders' equity	37,509	15,076
	-----	-----
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	\$ 431,097	\$ 129,008
	=====	=====

See notes to the Unaudited Pro Forma Combined Consolidated Financial Information

19

AMERICAN RIVER BANKSHARES & SUBSIDIARIES AND BANK OF AMADOR
PRO FORMA COMBINED CONSOLIDATED INCOME STATEMENT
(Unaudited)
SIX MONTHS ENDED JUNE 30, 2004
(in thousands, except per share data)

	American River Bankshares	Bank of Amador	Adjus
	-----	-----	-----
Interest Income			
Loans and leases including fees	\$ 8,589	\$ 2,920	\$
Investment Securities			
Taxable	1,625	120	
Non-taxable	249	239	
Federal funds sold	6	67	
	-----	-----	-----
Total interest income	10,469	3,346	
Interest Expense			
Deposits	1,086	662	
Other borrowings	323	-	
	-----	-----	-----
Total Interest Expense	1,409	662	
NET INTEREST INCOME	9,060	2,684	
PROVISION FOR LOAN AND LEASE LOSSES	429	35	
	-----	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES	8,631	2,649	
NONINTEREST INCOME			
Service charges on deposit accounts	279	113	
Other fees and charges	440	34	
Earnings on cash surrender value of life insurance policies	36	75	
Gain on sale of loans	-	73	
Other	696	19	
	-----	-----	-----
Total noninterest income	1,451	314	
NONINTEREST EXPENSE			
Salaries and employee benefits	3,155	572	

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Equipment expense	367	105	
Occupancy expense	452	94	
Other	2,238	653	
	-----	-----	-----
Total noninterest expense	6,212	1,424	
INCOME BEFORE PROVISION FOR INCOME TAXES	3,870	1,539	
PROVISION FOR INCOME TAXES	1,283	565	
	-----	-----	-----
NET INCOME	\$ 2,587	\$ 974	\$
	=====	=====	=====
NET INCOME PER SHARE			
Basic	.62	.63	
Diluted	.59	.60	
Weighted Average Shares			
Basic	4,176,173	1,556,582	
Diluted	4,391,739	1,628,756	

See notes to the Unaudited Pro Forma Combined Consolidated Financial Information

20

AMERICAN RIVER BANKSHARES & SUBSIDIARIES AND BANK OF AMADOR
PRO FORMA COMBINED CONSOLIDATED INCOME STATEMENT
(Unaudited)
YEAR ENDED DECEMBER 31, 2003
(in thousands, except per share data)

	American River Bankshares	Bank of Amador	Adjus
	-----	-----	-----
Interest Income			
Loans and leases including fees	\$ 16,744	\$ 5,672	\$
Investment Securities			
Taxable	2,501	340	
Non-taxable	475	498	
Federal funds sold	48	118	
	-----	-----	-----
Total interest income	19,768	6,628	
Interest Expense			
Deposits	2,390	1,213	
Other borrowings	512	-	
	-----	-----	-----
Total Interest Expense	2,902	1,213	
NET INTEREST INCOME	16,866	5,415	
PROVISION FOR LOAN AND LEASE LOSSES	946	104	
	-----	-----	-----
NET INTEREST INCOME AFTER PROVISION FOR LOAN AND LEASE LOSSES	15,920	5,311	
NONINTEREST INCOME			
Service charges on deposit accounts	534	222	

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Other fees and charges	1,420	45
Earnings on cash surrender value of life insurance policies	27	64
Gain on sale of loans	-	149
Gains on sale of securities	33	-
Other	239	42
	-----	-----
Total noninterest income	2,253	522
 NONINTEREST EXPENSE		
Salaries and employee benefits	6,233	1,224
Equipment expense	653	199
Occupancy expense	817	188
Other	2,669	963
	-----	-----
Total noninterest expense	10,372	2,574
 INCOME BEFORE PROVISION FOR INCOME TAXES		
	7,801	3,259
 PROVISION FOR INCOME TAXES		
	3,060	1,195
	-----	-----
NET INCOME	\$ 4,741	\$ 2,064
	=====	=====
 NET INCOME PER SHARE		
Basic	1.19	1.36
Diluted	1.10	1.28
 Weighted Average Shares		
Basic	3,988,856	1,519,886
Diluted	4,317,793	1,613,064

See notes to the Unaudited Pro Forma Combined Consolidated Financial Information

21

NOTES TO THE UNAUDITED PRO FORMA COMBINED CONSOLIDATED FINANCIAL INFORMATION

NOTE 1 -- BASIS OF PRESENTATION

The unaudited pro forma combined condensed consolidated statements of income for the six months ended June 30, 2004 and for the year ended December 31, 2003 are presented as if the merger had occurred at the beginning of the respective periods. The unaudited pro forma combined condensed consolidated balance sheet as of June 30, 2004 is presented as if the merger had occurred as of that date. This information is not intended to reflect the actual results that would have been achieved had the mergers actually occurred on those dates.

NOTE 2 -- MERGER-RELATED COSTS TO BE INCURRED BY AMERICAN RIVER BANKSHARES

The table below reflects American River Bankshares current estimate, for pro forma presentation purposes, of the merger-related costs expected to be incurred (in thousands):

Investment banking and other professional fees	\$ 250
Other costs	120
Total merger costs	\$ 370
Less estimated tax benefit	(115)
Merger-related costs after tax	\$ 255

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

These costs do not include estimated merger-related costs of \$2,086,000 (net of estimated tax benefit of \$1,195,000) incurred or to be incurred by Bank of Amador.

American River Bankshares' cost estimates are forward-looking. While the costs represent American River Bankshares' current estimate of merger costs that will be incurred, the type and amount of actual costs could vary materially from these estimates if future developments differ from the underlying assumptions used by management in determining the current estimate of these costs. For additional factors that may cause actual results to differ, see "Information Regarding Forward-Looking Statements" on page 29.

NOTE 3 -- PRO FORMA ADJUSTMENTS

Summarized below are the pro forma adjustments necessary to reflect the merger based on the purchase method of accounting:

- (a) Cash consideration paid to Bank of Amador shareholders assuming no holdback of cash at the closing.
- (b) Adjustments to reflect the fair value of the assets and liabilities are not considered material and are omitted for this presentation.
- (c) Goodwill of \$16.2 million and core deposit intangible of \$2.3 million, resulting from the application of the purchase method of accounting.
- (d) Deferred tax asset relates to merger-related costs expected to be incurred.
- (e) Merger-related cost accrual of \$3.6 million (before taxes) and deferred taxes of \$.9 million.
- (f) Issuance of American River Bankshares common stock, based on American River Bankshares' closing price of \$20.40 on July 8, 2004, to Bank of Amador shareholders,

22

less the elimination of Bank of Amador common stock and less the costs to issue the new shares (\$.4 million).

- (g) Elimination of Bank of Amador retained earnings and unrealized net gains on securities available for sale.
- (h) Opportunity costs on cash consideration paid to Bank of Amador shareholders (assumed interest rate of 1.00%).
- (i) Amortization expense related to the estimated core deposit intangible asset. The core deposit intangible will be amortized on a straight-line basis over its estimated useful life of 8 years.
- (j) The provision for income taxes related to pro forma adjustments is computed using a combined federal and state tax rate of 38%.

23

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

HISTORICAL AND PRO FORMA PER SHARE DATA FOR AMERICAN RIVER BANKSHARES AND BANK OF AMADOR

The table below shows the earnings, book value and dividends per share for American River Bankshares and Bank of Amador both on a historical and a pro forma basis. The American River Bankshares pro forma data was derived by combining historical consolidated financial information of American River Bankshares and Bank of Amador using the purchase method of accounting for business combinations. Bank of Amador's equivalent pro forma data was derived by multiplying the American River Bankshares pro forma income per share before nonrecurring charges or credits directly attributable to the transaction, the pro forma book value per share, and the pro forma dividends per share by the assumed consideration of \$10,690,000 in cash and 973,167 shares of American River Bankshares common stock for all shares of Bank of Amador common stock (based on an estimated American River Bankshares measuring price of \$20.40), so that the per share amounts are equated to the respective values for one share of Bank of Amador common stock.

You should read the respective audited financial statements and related footnotes of American River Bankshares and Bank of Amador included in this joint proxy statement-prospectus. See "Index to Financial Statements" at page 190 of this joint proxy statement-prospectus.

	At or for the Six Months Ended June 30, 2004	At or for the Year Ended December 31, 2003
	-----	-----
Book value per share		
American River Bankshares	\$ 8.91	\$ 8.74
Bank of Amador	\$ 9.63	\$ 9.67
American River Bankshares pro forma	\$ 12.00	\$ 10.83
Bank of Amador pro forma	\$ 11.47	\$ 10.35
Tangible book value per share		
American River Bankshares	\$ 8.89	\$ 8.73
Bank of Amador	\$ 9.63	\$ 9.67
American River Bankshares pro forma	\$ 7.40	\$ 7.12
Bank of Amador pro forma	\$ 7.08	\$ 6.84
Dividends declared per share		
American River Bankshares	\$.23	\$.30
Bank of Amador	\$.46	\$.92
American River Bankshares pro forma	\$.23	\$.30
Bank of Amador pro forma	\$.22	\$.29
Basic earnings per share		
American River Bankshares	\$.62	\$ 1.19
Bank of Amador	\$.63	\$ 1.36
American River Bankshares pro forma	\$.66	\$ 1.32
Bank of Amador pro forma	\$.63	\$ 1.27
Diluted earnings per share		
American River Bankshares	\$.59	\$ 1.10
Bank of Amador	\$.60	\$ 1.28
American River Bankshares pro forma	\$.63	\$ 1.22
Bank of Amador pro forma	\$.60	\$ 1.17

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

RISK FACTORS

If you are a Bank of Amador shareholder, by voting in favor of the merger, you will be choosing to invest in the combined company's common stock to the extent you receive American River Bankshares common stock in exchange for your shares of Bank of Amador common stock. An investment in the combined company's common stock involves a degree of risk. In addition to the other information included in this joint proxy statement-prospectus, including the matters addressed in "Information Regarding Forward-Looking Statements," you should carefully consider the matters described below in determining whether to approve the principal terms of the merger.

RISKS RELATED TO THE MERGER

- o The merger consideration that is paid in American River Bankshares common stock can fluctuate based on the price of American River Bankshares stock.

The price of American River Bankshares common stock may vary from the price of American River Bankshares common stock stated on the date the merger was announced, on the date that this joint proxy statement-prospectus is mailed to Bank of Amador shareholders, and on the date of the special meeting of Bank of Amador shareholders. Therefore, any change in the price of American River Bankshares common stock prior to the date the American River Bankshares measuring price is determined may affect the number of shares of American River Bankshares common stock that you will receive upon completion of the merger. In addition, any change in the price of American River Bankshares common stock after the date the American River Bankshares measuring price is determined will affect the value of the consideration you receive if you receive any consideration in the form of American River Bankshares common stock. Thus, at the time of the Bank of Amador special shareholders meeting, you may not know the exact value of the merger consideration to be paid to Bank of Amador shareholders. Stock price changes may result from a variety of factors, including general market and economic conditions, changes in business, operations and prospects, regulatory considerations and completion of the merger. Many of these factors are beyond our control. We urge you to obtain current market quotations for American River Bankshares common stock.

- o Shares eligible for future sale could have a dilutive effect.

Shares of American River Bankshares common stock eligible for future sale, including those that will be issued in the acquisition of Bank of Amador, could have a dilutive effect on the market for American River Bankshares common stock and could adversely affect market prices.

As of June 30, 2004, there were 20,000,000 shares of American River Bankshares common stock authorized, of which 4,209,881 shares were outstanding and 776,235 shares were reserved for issuance pursuant to the exercise of options granted and to be granted under the terms of the stock option plans of American River Bankshares. In addition, additional shares will be issued to Bank of Amador shareholders in the merger, which number of shares will be determined at the closing of the transactions contemplated by the merger agreement in accordance with the conversion ratio described in the merger agreement.

RISKS RELATED TO AMERICAN RIVER BANKSHARES FOLLOWING COMPLETION OF THE MERGER

- o If American River Bankshares is unable to integrate Bank of Amador's

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

operations successfully, American River Bankshares' business and earnings may be negatively affected.

The merger involves the integration of companies that have previously operated independently and no assurance can be given that American River Bankshares and its subsidiary, American River Bank, will be able to integrate Bank of Amador's operations without encountering difficulties including, without limitation, the loss of key employees and customers, the disruption of our respective ongoing businesses or possible inconsistencies in standards, controls, procedures and policies. Successful integration of Bank of Amador's operations will depend primarily on American River Bankshares' ability to consolidate operations, systems and procedures and to eliminate certain redundancies and costs. Estimated cost savings and revenue enhancements are projected to come from various areas that management has identified through the due diligence and integration planning process. The elimination and consolidation of duplicate tasks are projected to result in modest annual cost savings. If American River Bankshares has difficulties with the integration, we might not achieve the economic benefits we expect to result from the merger, and this would likely hurt American River Bankshares' business and earnings.

- o American River Bankshares' business is subject to interest rate risk, and variations in interest rates may negatively affect its financial performance.

Changes in the interest rate environment may reduce American River Bankshares' net interest income. It is expected that the combined entity will continue to realize income from the differential or "spread" between the interest earned on loans, securities and other interest-earning assets, and interest paid on deposits, borrowings and other interest-bearing liabilities. Net interest spreads are affected by the difference between the maturities and repricing characteristics of interest-earning assets and interest-bearing liabilities. In addition, loan volume and yields are affected by market interest rates on loans, and rising interest rates generally are associated with a lower volume of loan originations. We cannot assure you that we can minimize the combined entity's interest rate risk. In addition, an increase in the general level of interest rates may adversely affect the ability of certain borrowers to pay the interest on and principal of their obligations. Accordingly, changes in levels of market interest rates could materially and adversely affect American River Bankshares' net interest spread, asset quality, loan origination volume and overall profitability.

- o American River Bankshares' subsidiary, American River Bank, faces strong competition from financial service companies and other companies that offer banking services, which can hurt American River Bankshares' business.

American River Bankshares' subsidiary, American River Bank, conducts banking operations principally in Northern California. Increased competition in American River Bank's market may result in reduced loans and deposits. Ultimately, it may not be able to compete successfully against current and future competitors. Many competitors offer the banking services that are offered by American River Bank in its service area. These competitors include national and super-regional banks, finance companies, investment banking and brokerage firms, credit unions, government-assisted farm credit programs, other community banks and technology-oriented financial institutions offering online services. In particular, American River Bank's competitors include several major financial companies whose greater resources may afford them a marketplace advantage by enabling them to maintain numerous banking locations and mount extensive promotional and advertising campaigns. Additionally, banks and other financial institutions with larger capitalization and financial intermediaries not subject to bank regulatory restrictions have larger lending limits and are thereby able to serve the credit needs of larger customers. Areas of competition include

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

interest rates for loans and deposits, efforts to obtain deposits, and range and quality of products and services provided, including new technology-driven products and services. Technological innovation continues to contribute to greater competition in domestic and

26

international financial services markets as technological advances, such as Internet-based banking services that cross traditional geographic bounds, enable more companies to provide financial services. If American River Bank is unable to attract and retain banking customers, it may be unable to continue its loan growth and level of deposits, which may adversely affect its and American River Bankshares' results of operations and financial condition.

- o Changes in economic conditions could result in an economic slowdown in Northern California which could hurt American River Bankshares' business materially.

American River Bankshares' business is directly affected by factors such as economic, political and market conditions, broad trends in industry and finance, legislative and regulatory changes, changes in government monetary and fiscal policies and inflation, all of which are beyond American River Bankshares' control. A deterioration in economic conditions locally, regionally or nationally including as the result of terrorist activities within and outside California could result in an economic slowdown in Northern California and trigger the following consequences, any of which could hurt American River Bankshares' business materially:

- o loan delinquencies may increase;
 - o problem assets and foreclosures may increase;
 - o demand for American River Bankshares' products and services may decline;
 - o low cost or non-interest bearing deposits may decrease; and
 - o collateral for loans, especially real estate, may decline in value, in turn reducing customers' borrowing power, and reducing the value of assets and collateral associated with American River Bankshares' existing loans through its subsidiary, American River Bank.
- o A downturn in the real estate market could hurt American River Bankshares' business.

A downturn in the real estate market in Northern California could hurt American River Bankshares' business because many of the loans through its subsidiary, American River Bank, are secured by real estate. American River Bankshares' ability to recover on defaulted loans by selling the real estate collateral would then be diminished, and American River Bankshares would be more likely to suffer losses on defaulted loans. Substantially all of American River Bankshares' real property collateral is located in Northern California. If there is a significant decline in real estate values, especially in Northern California, the collateral for American River Bankshares' loans will provide less security. Real estate values in California could be affected by, among other things, changes in economic conditions including terrorist activities within and outside of California, and earthquakes, fires, floods and other natural disasters particular to California.

- o American River Bankshares is subject to extensive regulation, which

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

could adversely affect its business.

American River Bankshares' operations are subject to extensive regulation by state and local governmental authorities and are subject to various laws and judicial and administrative decisions imposing requirements and restrictions on part or all of its operations. American River Bankshares believes that it is in substantial compliance in all material respects with applicable laws, rules and regulations. Because American River Bankshares' business is highly regulated, the laws, rules and regulations applicable to it are subject to regular modification and change. There can be no assurance that these laws, rules and regulations, or any other laws, rules or regulations, will not be adopted in the future, which could make compliance much more difficult or expensive, restrict American River Bankshares' ability to originate, broker or sell loans, further limit or restrict the amount of commissions, interest or

27

other charges earned on loans originated or sold by American River Bankshares or its subsidiary, American River Bank, or otherwise adversely affect American River Bankshares' business or prospects.

- o American River Bankshares' ability to pay dividends is restricted by law.

American River Bankshares' ability to pay dividends to its shareholders is subject to the restrictions set forth in California law. See "Dividends and Distributions" beginning on page 168 for more information on these restrictions. American River Bankshares cannot assure you that it will meet the criteria specified under California law in the future, in which case we may reduce or stop paying dividends on its common stock.

The primary source of American River Bankshares' cash flow from which dividends are paid to its shareholders is dividends paid to American River Bankshares by American River Bank. The availability of dividends from American River Bank is limited by various statutes and regulations. It is possible depending upon the financial condition of the American River Bank, and other factors, that the California Department of Financial Institutions could assert that payment of dividends or other payments is an unsafe or unsound practice. American River Bank's failure to pay dividends on its common stock could limit the ability of American River Bankshares to pay dividends on its common stock which, in turn, could have a material adverse effect on the market price of American River Bankshares' common stock. See "Dividends and Distributions" beginning on page 168 for additional information on the regulatory restrictions to which American River Bankshares and American River Bank are subject.

- o American River Bank's allowance for loan and lease losses may not be adequate to cover actual losses.

Like all financial institutions, American River Bank maintains an allowance for loan losses to provide for loan defaults and non-performance, but its allowance for loan losses may not be adequate to cover actual loan and lease losses. In addition, future provisions for loan and lease losses could materially and adversely affect American River Bank's and therefore American River Bankshares' operating results. American River Bank's allowance for loan and lease losses is based on prior experience, as well as an evaluation of the risks in the current portfolio. The amount of future losses is susceptible to changes in economic, operating and other conditions, including changes in interest rates that may be beyond American River Bank's control, and these losses may exceed current estimates. Federal regulatory agencies, as an integral part of their examination process, review American River Bank's loans and allowance for loan and lease losses. Although we believe that American River

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Bank's allowance for loan and lease losses is adequate to cover current losses, we cannot assure you that it will not further increase the allowance for loan and lease losses or that regulators will not require it to increase this allowance. Either of these occurrences could materially adversely affect American River Bankshares' earnings.

28

INFORMATION REGARDING FORWARD-LOOKING STATEMENTS

This joint proxy statement-prospectus contains forward-looking statements regarding each of American River Bankshares and Bank of Amador and the combined company following the merger, including statements relating to:

- o the financial condition, results of operations and business of American River Bankshares following completion of the merger;
- o cost savings, enhanced revenues and accretion to reported earnings that are expected to be realized from the merger; and
- o the restructuring charges expected to be incurred in connection with the merger.

These forward-looking statements involve risks and uncertainties. Factors that may cause actual results to differ materially from those contemplated by the forward-looking statements include, among others, the following possibilities:

- o expected cost savings from the merger cannot be fully realized or realized within the expected time frame;
- o revenues following the merger are lower than expected or deposit withdrawals, operating costs or customer loss and business disruption following the merger may be greater than expected;
- o competitive pressures among depository and other financial services companies increase significantly;
- o costs or difficulties related to the integration of the businesses of American River Bank and Bank of Amador are greater than expected;
- o changes in the interest rate environment reduce interest margins, cause an increase in the prepayment rate on mortgages and other loans or reduce the demand for new loans;
- o general economic or business conditions, either internationally, nationally or in the regions in which the combined company will be doing business, are less favorable than expected, resulting in, among other things, a deterioration in credit quality or a reduced demand for credit;
- o the U.S. "war on terrorism" and military action taken or to be taken by the United States in the Middle East and in other regions of the world and terrorist activities in response to such actions;
- o legislation or regulatory requirements or changes adversely affect the businesses in which the combined company would be engaged;

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

- o technology-related changes may be harder to make or more expensive than expected;
- o changes in the securities markets; and
- o timing of completion of the merger may be delayed, due to regulatory requirements or other factors which may delay, restrict or prohibit new operations.

29

With respect to estimated cost savings, American River Bankshares has made assumptions regarding, among other things, the extent of operational overlap between American River Bankshares, American River Bank and Bank of Amador, the amount of general and administrative expense consolidation, costs relating to converting Bank of Amador operations and data processing to American River Bankshares systems, the size of anticipated reductions in fixed labor costs, the amount of severance expenses, the extent of the charges that may be necessary to align the companies' respective accounting, reserve policies and the costs related to the merger. The realization of the expected cost savings is subject to the risk that the foregoing assumptions are inaccurate.

Management of American River Bankshares believes these forward-looking statements are reasonable; however, undue reliance should not be placed on the forward-looking statements, which are based on current expectations.

Forward-looking statements are not guarantees of performance. They involve risks, uncertainties and assumptions. The future results and shareholder values of American River Bankshares following completion of the merger may differ materially from those expressed in these forward-looking statements. Many of the factors that will determine these results and values are beyond American River Bankshares' and Bank of Amador's ability to control or predict. For those statements, American River Bankshares and Bank of Amador claim the protection of the safe harbor for forward-looking statements contained in the Private Securities Litigation Reform Act of 1995.

30

INTRODUCTION

THE SPECIAL MEETINGS: DATES, TIMES AND PLACES

American River Bankshares

This joint proxy statement-prospectus constitutes the proxy statement of American River Bankshares for use at the special meeting of American River Bankshares' shareholders to be held at 1545 River Park Drive, Suite 107, Sacramento, California at ___:___ .m., local time, on _____, 2004, and any adjournments or postponements thereof. This joint proxy statement-prospectus also constitutes the prospectus for American River Bankshares common stock to be issued in connection with the transaction.

Bank of Amador

This joint proxy statement-prospectus constitutes the proxy statement of Bank of Amador for use at the special meeting of Bank of Amador's shareholders to be held at 422 Sutter Street, Jackson, California at ___:___ .m., local time, on _____, 2004.

PURPOSE OF THE MEETINGS

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

At their respective special meetings, the shareholders of American River Bankshares and the shareholders of Bank of Amador will each consider and vote upon a proposal to approve the principal terms of the merger contemplated by the merger agreement which is included in this joint proxy statement-prospectus as Annex A, under the terms of which Bank of Amador would merge with and into American River Bank, a subsidiary of American River Bankshares.

MERGER PROPOSAL

Pursuant to the merger agreement, Bank of Amador will be merged with and into American River Bank and all of the outstanding shares of Bank of Amador common stock will be automatically cancelled in the merger transaction. Upon consummation of the merger, Bank of Amador will cease to exist and American River Bank will continue as the surviving corporation and will conduct operations at the former offices of Bank of Amador under the name "Bank of Amador, a division of American River Bank."

All information contained in this joint proxy statement-prospectus with respect to Bank of Amador has been supplied by Bank of Amador. All information contained in this joint proxy statement-prospectus with respect to American River Bankshares and American River Bank has been supplied by American River Bankshares.

The American River Bankshares board of directors unanimously recommends that its shareholders vote "FOR" the merger proposal.

The Bank of Amador board of directors unanimously recommends that its shareholders vote "FOR" the merger proposal.

RECORD DATE AND OUTSTANDING SHARES

American River Bankshares

The close of business on _____, 2004 has been set by the American River Bankshares' board of

directors as the record date for determining shareholders entitled to receive notice of and to vote at the special meeting of American River Bankshares. On the record date, there were _____ shares of American River Bankshares common stock outstanding, held by ___ holders of record.

31

Bank of Amador

The close of business on _____, 2004 has been set by Bank of Amador's board of directors as the record date for determining shareholders entitled to receive notice of and to vote at the special meeting of Bank of Amador. On the record date, there were _____ shares of Bank of Amador common stock outstanding, held by ___ holders of record.

VOTING AND VOTE REQUIRED

American River Bankshares

Each holder of American River Bankshares common stock is entitled to one vote for each share of American River Bankshares common stock held in that holder's name on the books of American River Bankshares as of the record date on any matter submitted to the vote of the shareholders of American River Bankshares at the special meeting. The approval of the principal terms of the

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

merger will require the affirmative vote, in person or by proxy, of holders owning at least a majority of the outstanding shares of American River Bankshares common stock.

Bank of Amador

Each holder of Bank of Amador common stock is entitled to one vote for each share of Bank of Amador common stock held in that holder's name on the books of Bank of Amador as of the record date on any matter submitted to the vote of the shareholders of Bank of Amador at the special meeting. The approval of the principal terms of the merger will require the affirmative vote, in person or by proxy, of holders owning at least a majority of the outstanding shares of Bank of Amador common stock.

SOLICITATION OF PROXIES

American River Bankshares

American River Bankshares will bear the cost of the solicitation of proxies from its shareholders. In addition to solicitation by mail, the directors, officers and employees of American River Bankshares may solicit proxies from its shareholders by telephone or telegram or in person. Those persons will not be additionally compensated, but will be reimbursed for reasonable out-of-pocket expenses incurred in connection with the solicitations. Arrangements will also be made with brokerage firms, nominees, fiduciaries and other custodians, for the forwarding of solicitation materials to the beneficial owners of shares held of record by those persons, and American River Bankshares will reimburse those persons for their reasonable out-of-pocket expenses in connection with those solicitations.

Bank of Amador

Bank of Amador will bear the cost of the solicitation of proxies from its shareholders. In addition to solicitation by mail, the directors, officers and employees of Bank of Amador may solicit proxies from its shareholders by telephone or telegram or in person. Those persons will not be additionally compensated, but will be reimbursed for reasonable out-of-pocket expenses incurred in connection with the solicitations. Arrangements will also be made with brokerage firms, nominees, fiduciaries and other custodians, for the forwarding of solicitation materials to the beneficial owners of shares held of record by those persons, and Bank of Amador will reimburse those persons for their reasonable out-of-pocket expenses in connection with those solicitations.

32

VOTING OF PROXIES

American River Bankshares

Submitting Proxies

American River Bankshares shareholders may vote their shares in person by attending the special meeting or vote their shares by proxy by completing the enclosed proxy card, signing and dating it and mailing it in the enclosed postage pre-paid envelope.

If a proxy card is signed by a shareholder and returned without instructions, the shares represented by the proxy will be voted by the proxy holders "FOR" the proposal presented at the American River Bankshares special meeting.

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Revoking Proxies

American River Bankshares shareholders of record may revoke their proxies at any time before the time their proxies are voted at the American River Bankshares special meeting. Proxies may be revoked by written notice, including by telegram or telecopy, to the Corporate Secretary of American River Bankshares, by a later-dated proxy signed and returned by mail or by attending the American River Bankshares special meeting, as applicable, and voting in person. Attendance at the American River Bankshares special meeting will not in and of itself constitute a revocation of a proxy. The shareholder must inform the Secretary at the special meeting, prior to the vote, that he or she wants to revoke his or her proxy and vote in person. Any written notice of a revocation of a proxy must be sent so as to be received before the taking of the vote at the special meeting, addressed as follows:

Stephen H. Waks
Corporate Secretary
American River Bankshares
1545 River Park Drive, Suite 107
Sacramento, California 95815

Discretionary Authority

If any other matters are properly presented for consideration at the American River Bankshares special meeting, the persons named in the enclosed form of proxy card will have discretion to vote or not vote on those matters in accordance with their best judgment, unless authorization to use that discretion is withheld. If a proposal to adjourn or postpone the special meeting is properly presented, however, the persons named in the enclosed form of proxy will not have discretion to vote in favor of the adjournment proposal any shares which have been voted against the proposal(s) to be presented at the special meeting. American River Bankshares is not aware of any matters expected to be presented at its special meeting other than as described in the notice of special meeting.

Recommendation of the American River Bankshares Board of Directors

The American River Bankshares board of directors has unanimously approved the merger described herein and recommends that its shareholders vote "FOR" the merger proposal.

Bank of Amador

Submitting Proxies

Bank of Amador shareholders may vote their shares in person by attending the special meeting or vote their shares by proxy by completing the enclosed proxy card, signing and dating it and mailing it in the enclosed postage pre-paid envelope.

33

If a proxy card is signed by a shareholder and returned without instructions, the shares represented by the proxy will be voted by the proxy holders "FOR" the proposal presented at the Bank of Amador special meeting.

Revoking Proxies

Bank of Amador shareholders of record may revoke their proxies at any time before the time their proxies are voted at the Bank of Amador special meeting. Proxies may be revoked by written notice, including by telegram or

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

telecopy, to the Corporate Secretary of Bank of Amador, by a later-dated proxy signed and returned by mail or by attending the special meeting, as applicable, and voting in person. Attendance at the special meeting will not in and of itself constitute a revocation of a proxy. The shareholder must inform the Secretary at the special meeting, prior to the vote, that he or she wants to revoke his or her proxy and vote in person. Any written notice of a revocation of a proxy must be sent so as to be received before the taking of the vote at the special meeting, addressed as follows:

Gareth Abel
Corporate Secretary
Bank of Amador
422 Sutter Street
Jackson, California 95642

Discretionary Authority

If any other matters are properly presented for consideration at the Bank of Amador special meeting, the persons named in the enclosed form of proxy card will have discretion to vote or not vote on those matters in accordance with their best judgment, unless authorization to use that discretion is withheld. If a proposal to adjourn or postpone the special meeting is properly presented, however, the persons named in the enclosed form of proxy will not have discretion to vote in favor of the adjournment proposal any shares which have been voted against the proposal(s) to be presented at the special meeting. Bank of Amador is not aware of any matters expected to be presented at its special meeting other than as described in the notice of special meeting.

Shareholders who submit proxy cards should not send in any stock certificates with their proxy cards. Instructions for the surrender of certificates representing shares of Bank of Amador common stock will be mailed to former Bank of Amador shareholders by American River Bankshares or its exchange agent shortly after the merger is completed.

Recommendation of the Bank of Amador Board of Directors

The Bank of Amador board of directors has unanimously approved the merger described herein and recommends that its shareholders vote "FOR" the merger proposal.

34

INFORMATION ABOUT AMERICAN RIVER BANKSHARES AND AMERICAN RIVER BANK

GENERAL DEVELOPMENT OF BUSINESS

American River Bankshares is a bank holding company registered under the Bank Holding Company Act of 1956, as amended. American River Bankshares was incorporated under the laws of the State of California in 1995 under the name American River Holdings and changed its name in 2004 to American River Bankshares. As a bank holding company, American River Bankshares is authorized to engage in the activities permitted under the Bank Holding Company Act of 1956, as amended, and regulations thereunder. Its principal office is located at 1545 River Park Drive, Suite 107, Sacramento, California 95815 and its telephone number is (916) 565-6100. American River Bankshares employed an equivalent of 102 full-time employees as of June 30, 2004.

American River Bankshares owns 100% of the issued and outstanding common shares of its banking subsidiary, American River Bank, and American River Financial, a California corporation which has been inactive since its

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

incorporation in 2003.

American River Bank was incorporated and commenced business in Fair Oaks, California, in 1983 and thereafter moved its headquarters office to Sacramento, California in 1985. American River Bank operates five full service offices in Sacramento and Placer Counties including the head office located at 1545 River Park Drive, Suite 107, Sacramento, and branch offices located at 520 Capitol Mall, Suite 100, Sacramento, 9750 Business Park Drive, Sacramento, 10123 Fair Oaks Boulevard, Fair Oaks and 2240 Douglas Boulevard, Roseville, and three full service offices in Sonoma County located at 412 Center Street, Healdsburg, 8733 Lakewood Drive, Windsor, and 50 Santa Rosa Avenue, Suite 100, Santa Rosa, operated under the name "North Coast Bank, a division of American River Bank." North Coast Bank was incorporated and commenced business in 1990 as Windsor Oaks National Bank in Windsor, California. In 1997, the name was changed to North Coast Bank. In 2000, North Coast Bank was acquired by American River Bankshares as a separate bank subsidiary. Effective December 31, 2003, North Coast Bank was merged with and into American River Bank. American River Bank's deposits are insured by the Federal Deposit Insurance Corporation up to applicable legal limits. American River Bank does not offer trust services or international banking services and does not plan to do so in the near future. American River Bank's primary business is serving the commercial banking needs of small to mid-sized businesses within those counties. American River Bank accepts checking and savings deposits, offers money market deposit accounts and certificates of deposit, makes commercial, real estate, and other installment and term loans and offers other customary banking services. American River Bank also conducts lease financing for most types of business equipment, from computer software to heavy earth-moving equipment.

American River Bank owns 100% of two inactive companies, ARBCO and American River Mortgage. ARBCO was formed in 1984 to conduct real estate development and has been inactive since 1995. American River Mortgage has been inactive since its formation in 1994.

American River Bankshares conducts no significant activities other than holding the shares of its subsidiaries. However, it is authorized, with the prior approval of the Board of Governors of the Federal Reserve System, American River Bankshares' principal regulator, to engage in a variety of activities which are deemed closely related to the business of banking.

The common stock of American River Bankshares is registered under the Securities Exchange Act of 1934, as amended, and is listed and traded on the Nasdaq National Market under the symbol "AMRB."

35

COMPETITION

At June 30, 2003, based on the most recent "Data Book Summary of Deposits in Federal Deposit Insurance Corporation Insured Commercial and Savings Banks" report at that date, the competing commercial and savings banks had 145 offices in the cities of Fair Oaks, Rancho Cordova, Roseville and Sacramento, California, where American River Bank has 5 offices, and 55 offices in the cities of Healdsburg, Santa Rosa and Windsor, California, where American River Bank's division, "North Coast Bank," has 3 offices. Additionally, American River Bank competes with thrifts and, to a lesser extent, credit unions, finance companies and other financial service providers for deposit and loan customers.

American River Bank's business is concentrated in its service area, which primarily encompasses cities within Placer, Sacramento and Sonoma Counties. The economy of American River Bank's service area is dependent upon government, manufacturing, construction, tourism, retail sales, population

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

growth and smaller service oriented businesses.

In order to compete with the major financial institutions in its primary service areas, American River Bank uses to the fullest extent possible the flexibility which is accorded by its community bank status. This includes an emphasis on specialized services, local promotional activity, and personal contacts by its respective officers, directors and employees. American River Bank also seeks to provide special services and programs for individuals in its primary service area who are employed in the agricultural, professional and business fields, such as loans for equipment, furniture, tools of the trade or expansion of practices or businesses. In the event there are customers whose loan demands exceed its lending limits, American River Bank seeks to arrange for such loans on a participation basis with other financial institutions. It also assists those customers requiring services not offered by American River Bank to obtain such services from correspondent banks.

Commercial banks compete with savings and loan associations, credit unions, other financial institutions and other entities for funds. For instance, yields on corporate and government debt securities and other commercial paper affect the ability of commercial banks to attract and hold deposits. Commercial banks also compete for loans with savings and loan associations, credit unions, consumer finance companies, mortgage companies and other lending institutions.

Banking is a business that depends on interest rate differentials. In general, the difference between the interest rate paid by a bank to obtain deposits and other borrowings and the interest rate received by a bank on loans extended to customers and on securities held in a bank's portfolio comprise the major portion of a bank's earnings.

The interest rate differentials of a bank, and therefore its earnings, are affected not only by general economic conditions, both domestic and foreign, but also by the monetary and fiscal policies of the United States as set by statutes and as implemented by federal agencies, particularly the Federal Reserve Board. The Federal Reserve Board can and does implement national monetary policy, such as seeking to curb inflation and combat recession, by its open market operations in United States government securities, adjustments in the amount of interest free reserves that banks and other financial institutions are required to maintain, and adjustments to the discount rates applicable to borrowing by banks from the Federal Reserve Board. These activities influence the growth of bank loans, investments and deposits and also affect interest rates charged on loans and paid on deposits. The nature and timing of any future changes in monetary policies and their impact on American River Bankshares and American River Bank is not predictable.

Larger banks may have a competitive advantage because of higher lending limits and major advertising and marketing campaigns. They also perform services, such as trust services, international banking, discount brokerage and insurance services, which American River Bank is not authorized nor prepared to offer currently. American River Bank has made arrangements with its correspondent banks and with others to provide some of these services for its customers. For borrowers requiring loans in excess of American River Bank's legal lending limits, American River Bank has offered, and intends to offer in the future, such loans on a participating basis with its correspondent banks and with other community banks, retaining a portion of such loans which is within its lending limits. As of June 30,

2004, American River Bank's aggregate legal lending limits to a single borrower and such borrower's related parties were \$6,038,000 on an unsecured basis and \$10,063,000 on a fully secured basis based on capital and reserves of

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

\$40,250,000.

Based upon the most recent "Data Book Summary of Deposits in Federal Deposit Insurance Corporation Insured Commercial and Savings Banks" report dated June 30, 2003, there were 181 operating commercial and savings bank offices in Sacramento County with total deposits of \$14,718,627,000. This was an increase of \$1,319,365,000 over the June 30, 2002 balances. American River Bank held a total of \$172,457,000 in deposits, representing approximately 1.2% of total commercial and savings banks deposits in Sacramento County as of June 30, 2003.

Based upon the most recent "Data Book Summary of Deposits in Federal Deposit Insurance Corporation Insured Commercial and Savings Banks" report dated June 30, 2003, there were 86 operating commercial and savings bank offices in Placer County with total deposits of \$3,810,163,000. This was an increase of \$494,352,000 over the June 30, 2002 balances. American River Bank held a total of \$58,732,000 in deposits, representing approximately 1.5% of total commercial and savings banks deposits in Placer County as of June 30, 2003.

Based upon the most recent "Data Book Summary of Deposits in Federal Deposit Insurance Corporation Insured Commercial and Savings Banks" report dated June 30, 2003, there were 116 operating commercial and savings bank offices in Sonoma County with total deposits of \$7,765,816,000. This was an increase of \$494,394,000 over the June 30, 2002 balances. American River Bank through its division, "North Coast Bank," held a total of \$63,892,000 in deposits, representing approximately .8% of total commercial and savings banks deposits in Sonoma County as of June 30, 2003.

In 1996, pursuant to Congressional mandate, the Federal Deposit Insurance Corporation reduced bank deposit insurance assessment rates to a range from \$0 to \$0.27 per \$100 of deposits, dependent upon a bank's risk. Based upon the risk-based assessment rate schedule, American River Bank's current capital ratios and levels of deposits, American River Bank anticipates no change in the assessment rate applicable to it during 2004 from that in 2003.

PROPERTIES

American River Bankshares and American River Bank lease 7 and own 1 of their respective premises. American River Bank's head office is located at 1545 River Park Drive, Suite 107, Sacramento, California, in a modern, five floor building which has offstreet parking for its clients. American River Bank leases premises in the building from EOP-Point West, L.L.C. The lease term is ten years and expires on March 31, 2010. The premises consist of 9,498 square feet on the ground floor. The monthly lease rate is \$20,521.

American River Bank also leases the following premises:

- o 9750 Business Park Drive, Sacramento, California. The office space is leased from Bradshaw Plaza Group, which is owned in part by Charles D. Fite, a director of American River Bankshares. The lease term is seven years and expires on November 30, 2006. The premises consist of 4,590 square feet on the ground floor. The monthly lease rate is \$7,500.
- o 10123 Fair Oaks Boulevard, Fair Oaks, California. The office space is leased from Marjorie Taylor, a former director of American River Bankshares. The lease term is 12 years and expires on March 1, 2009. The premises consist of 2,380 square feet on the ground floor. The monthly lease rate is \$1,825.
- o 2240 Douglas Boulevard, Roseville, California. The office space is leased from Twin Tree Land Company. The lease term is 10 years and expires on December 18, 2006. The premises consist of

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

3,790 square feet on the ground floor. The monthly lease rate is \$8,035.

- o 520 Capitol Mall, Sacramento, California. The office space is leased from 520 Capitol Mall, Inc. The lease term is 10 years and expires on June 1, 2014. The premises consist of 4,010 square feet on the ground floor. The monthly lease rate is \$10,426.

37

American River Bank leases or owns premises through its North Coast Bank division as follows:

- o 8733 Lakewood Drive, Windsor, California. The office space is leased from R. and R. Partners. The two-year lease expires on December 31, 2005. The premises consist of 2,200 square feet on the ground floor. The monthly lease rate is \$3,190.
- o 412 Center Street, Healdsburg, California. The premises were purchased June 1, 1993. The purchase price for the land and building was \$343,849. The building is 2,620 square feet sitting on 10,835 square feet of land.
- o 50 Santa Rosa Avenue, Santa Rosa, California. The office space is leased from HSG Trust. The lease term is ten (10) years and expires on January 31, 2009. The premises consist of 7,072 square feet on the ground floor. The monthly lease rate is \$10,263.

The leases on the premises located at 1545 River Park Drive, 9750 Business Park Drive, 2240 Douglas Boulevard, 50 Santa Rosa Avenue, and 8733 Lakewood Drive contain options to extend for five years. Included in the above are two facilities leased from current or former directors of American River Bankshares at terms and conditions which management believes are consistent with the commercial lease market.

The foregoing summary descriptions of leased premises are qualified in their entirety by reference to the lease agreements. For more information, see "Where You Can Find More Information" on page 188.

LEGAL PROCEEDINGS

There are no material legal proceedings adverse to American River Bankshares and American River Bank to which any director, officer, affiliate of American River Bankshares, or 5% shareholder of American River Bankshares, or any associate of any such director, officer, affiliate or 5% shareholder of American River Bankshares are a party, and none of the above persons has a material interest adverse to the American River Bankshares or American River Bank.

From time to time, American River Bankshares and/or American River Bank is a party to claims and legal proceedings arising in the ordinary course of business. American River Bankshares' management is not aware of any material pending legal proceedings to which either it or American River Bank may be a party or has recently been a party, which will have a material adverse effect on the financial condition or results of operations of American River Bankshares or American River Bank, taken as a whole.

SECURITY OWNERSHIP OF DIRECTORS, EXECUTIVE OFFICERS AND 5% SHAREHOLDERS

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

As of the record date, the directors, executive officers and 5% shareholders of American River Bankshares beneficially owned shares of American River Bankshares common stock as described in the following tables. No individual known to American River Bankshares owned more than five percent (5%) of the outstanding shares of its common stock, except as described below.

Name and Address of Beneficial Owner	Amount and Nature of Beneficial Ownership	Percent of Class
Keefe Managers, LLC 375 Park Avenue, 23rd Floor, New York, New York 10152	284,516	6.68%

Unless otherwise indicated, each director and executive officer listed below possesses sole voting power and sole investment power. 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 address for beneficial owners, all

38

of whom are incumbent directors and officers of American River Bankshares, is the address of American River Bankshares, 1545 River Park Drive, Suite 107, Sacramento, California 95815.

Name of Beneficial Owner	Position	Amount and Nature of Beneficial Ownership(1)	Pe C
Amador S. Bustos	Director	4,150	
Raymond F. Byrne	President of North Coast Bank, a division of American River Bank	279 (3)	
Mitchell A. Derenzo	Executive Vice President and Chief Financial Officer of American River Bankshares	43,482 (4)	
Charles D. Fite	Director	102,959 (5)	
Robert J. Fox	Director	10,000	
Sam J. Gallina	Director	113,612 (6)	
Gregory H. Patton	President of American River Bank	17,776 (7)	
William A. Robotham	Director	58,930 (8)	
David T. Taber	President and Chief Executive Officer of American River Bankshares	114,911 (9)	
Roger J. Taylor, D.D.S.	Director	97,894 (10)	
Douglas E. Tow	Senior Vice President and Credit Administrator of American River Bankshares	26,254 (11)	
Stephen H. Waks	Director	48,761 (12)	
Michael A. Ziegler	Director	2,474 (13)	
All directors and executive officers as a group (13 persons)		641,492 (14)	

(1) Except as otherwise noted, may include shares held by or with a spouse (except where legally separated) and minor children; shares held by any other relative of the person who has the same home; shares held by a family trust as to which the person is a beneficiary and trustee with sole vesting and investment power (or shared with a spouse); or shares

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

- held in an individual retirement account or pension plan of which the person is the sole beneficiary and as to which shares the person has pass-through voting rights and investment power.
- (2) Includes stock options outstanding to purchase common stock exercisable within 60 days of the record date. The shares "beneficially owned" are determined under Securities and Exchange Commission Rules, and do not necessarily indicate ownership for any other purpose. In general, beneficial ownership includes shares over which a person has sole or shared voting or investment power and shares which the person has the right to acquire within 60 days.
 - (3) Includes 187 shares which Mr. Byrne has the right to acquire upon the exercise of stock options within 60 days of the record date.
 - (4) Includes 26,296 shares which Mr. Derenzo has the right to acquire upon the exercise of stock options within 60 days of the record date.
 - (5) Includes 582 shares which Mr. Fite has the right to acquire upon the exercise of stock options within 60 days of the record date.
 - (6) Includes 582 shares which Mr. Gallina has the right to acquire upon the exercise of stock options within 60 days of the record date.
 - (7) Includes 16,573 shares which Mr. Patton has the right to acquire upon the exercise of stock options within 60 days of the record date.
 - (8) Includes 25,889 shares which Mr. Robotham has the right to acquire upon the exercise of stock options within 60 days of the record date.
 - (9) Includes 36,732 shares which Mr. Taber has the right to acquire upon the exercise of stock options within 60 days of the record date.

39

- (10) Includes 30,732 shares which Dr. Taylor has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (11) Includes 19,248 shares which Mr. Tow has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (12) Includes 18,673 shares which Mr. Waks has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (13) Includes 145 shares which Mr. Ziegler has the right to acquire upon the exercise of stock options within 60 days of the record date.
- (14) Includes 175,649 stock options outstanding to purchase common stock exercisable within 60 days of the record date.

BACKGROUND AND BUSINESS EXPERIENCE OF DIRECTORS AND EXECUTIVE OFFICERS

The following tables set forth information as of the record date, with respect to directors and executive officers (1) of American River Bankshares, including their positions with American River Bankshares and American River Bank, a brief account of the business experience of each director and executive officer for a minimum period of five years, their ages and the year first elected as a director or appointed as an executive officer. American River Bankshares has a classified board of directors in which the incumbent directors listed below are divided into three classes. See "Comparison of Shareholder Rights -- Classified Board Provisions" on page 175 for more information regarding the classified board structure.

Directors

Class I Directors Elected To Serve to 2007

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

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.	53
Robert J. Fox	Partner, S.J. Gallina & Co., LLP, Certified Public Accountants in Sacramento.	59
William A. Robotham	Executive Partner, Pisenti & Brinker LLP, Certified Public Accountants in Santa Rosa.	62

Class II Directors Elected to Serve to 2005

Name and Title Other than Director	Principal Occupation During the Last Five Years	Age
Sam J. Gallina	Retired Partner, S.J. Gallina & Co., Certified Public Accountants in Sacramento.	72
Roger J. Taylor, D.D.S. Vice-Chairman	Dentist (Retired) and National Executive Director Impax Health Prime and a real estate developer in Sacramento.	59
Michael A. Ziegler	President and Chief Executive Officer of PRIDE Industries in Sacramento.	59

40

Class III Directors Elected to Serve to 2006

Name and Title Other than Director	Principal Occupation During the Last Five Years	Age
Charles D. Fite Chairman	President, Fite Development Company in Sacramento.	46
David T. Taber President and CEO	President and Chief Executive Officer, American River Bankshares.	44
Stephen H. Waks Corporate Secretary	Attorney-at-Law; owner of Stephen H. Waks, Inc. in Sacramento.	57

None of the directors listed in the table above or executive officers(1) listed in the table below, were selected pursuant to any arrangement or understanding other than with the directors and executive officers of American River Bankshares acting within their capacities as such. There are no family relationships between any two or more of the directors or executive officers. No 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

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Investment Company Act of 1940.

None of the directors or executive officers 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.

American River Bankshares knows of no arrangements, including any pledge by any person of securities of American River Bankshares, the operation of which may, at a subsequent date, result in a change in control of American River Bankshares.

Executive Officers

The executive officers of American River Bankshares include David T. Taber, President and Chief Executive Officer, about whom information is provided in the list of directors table above, and the persons named in the table below.

 (1) As used in this joint proxy statement-prospectus, the term "executive officer" of American River Bankshares includes the President and CEO of American River Bankshares, the Executive Vice President and Chief Financial Officer of American River Bankshares, the President of American River Bank, the Senior Vice President and Credit Administrator of American River Bankshares, and the President of North Coast Bank, a division of American River Bank.

41

Name and Title	Age	Officer Since	Principal Occupation During The Past Five
Mitchell A. Derenzo	43	1992	Executive Vice President and Chief Financial Officer of American River Bankshares since 1995. Chief Financial Officer of American River Bank since 1992.
Raymond F. Byrne	56	2000	President of North Coast Bank, a division of American River Bank since 2002. Senior Vice President and Senior Loan Officer of American River Bank 2000 to 2003. Vice President and Manager of American River Bank 2000 to 2001. Vice President and General Manager of American River Bank Office Systems 1991 to 1999.
Douglas E. Tow	50	1994	Senior Vice President and Credit Administrator of American River Bankshares since 2003. Senior Vice President and Credit Administrator of American River Bank since 1994.
Gregory H. Patton	46	2004	President of American River Bank since January 2004. Senior Vice President and Senior Commercial Loan Officer of American River Bank since 2000. Vice President and Branch Manager of American River Bank since 1995.

COMMITTEES OF THE BOARD OF DIRECTORS

Audit Committee

The Audit Committee, whose members are Amador S. Bustos, Robert J. Fox, Sam J. Gallina (Chairman), and William A. Robotham, oversees American River

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Bankshares' and its subsidiaries' independent registered public accounting firm, analyzes the results of internal and regulatory examinations and monitors the financial and accounting organization and reporting. The Audit Committee met four (4) times in 2003. 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. In addition, each other member of the Audit Committee is "financially literate" as defined under applicable Nasdaq Stock Market Rules. 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.

Nominating Committee

During 2003, the full board of directors performed the functions of the Nominating Committee including considering appropriate candidates for election as directors. In January 2004, the board of directors delegated this function to a new committee named the Nominating Committee. The Nominating Committee, whose members are Charles D. Fite, Sam J. Gallina, Roger J. Taylor, D.D.S., 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

American River Bankshares' board of directors should mail or deliver written recommendations to American River Bankshares 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 market areas served by American River Bankshares and its subsidiaries that may enhance the reputation of American River Bankshares and its subsidiaries. American River Bankshares and its subsidiaries operate in a highly regulated industry and are 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 American River Bankshares and its subsidiaries are subject to certain rules and regulations and potential liabilities not otherwise applicable to directors of non-banking organizations. Consequently, evaluation of candidates by American River Bankshares' 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

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

questionnaires to elicit information of the type required to be disclosed by American River Bankshares 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 American River Bankshares' 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 American River Bankshares' 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.

Compensation Committee

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 American River Bankshares and its subsidiaries. The Compensation Committee met seven (7) times during 2003. The board of directors has determined that all members of the Compensation Committee are "independent," as that term is defined by applicable Nasdaq Stock Market Rules. See "Board Compensation Committee Report on Executive Compensation" on page 46 for additional information regarding the functions of the Compensation Committee.

Finance and Capital 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 oversee asset liability management and the investment portfolio including recommending to the full board of directors the annual investment strategy; and recommending to the full board of directors the annual operating budget for American River Bankshares and its subsidiaries; and reviewing premises leases for recommendation to the full board of directors. The Finance and Capital Committee met five (5) times during 2003.

Executive Committee

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, oversees long range planning,

43

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 eleven (11) times during 2003.

Loan Committee

American River Bank's Loan Committee, whose members are Charles D. Fite, Robert J. Fox, Sam J. Gallina, Roger J. Taylor, D.D.S. (Chairman), Stephen H. Waks, and Philip A. Wright, has the responsibility for establishing loan policy, approving loans which exceed certain dollar limits and reviewing the outside loan review firm's examinations of the loan portfolio. The Loan Committee met thirty-eight (38) times during 2003.

During 2003, American River Bankshares' board of directors held twelve

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

(12) regular meetings and two (2) special meetings. In addition, American River Bankshares' board of directors held two (2) "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 American River Bankshares solely in their capacity as shareholders, should be mailed or delivered to American River Bankshares addressed as follows: Board of Directors, American River Bankshares, 1545 River Park Drive, Suite 107 Sacramento, California 95815

American River Bankshares encourages members of its board of directors to attend American River Bankshares' annual meeting of shareholders each year. All of the current incumbent directors attended American River Bankshares' annual meeting of shareholders held in 2003.

COMPENSATION OF DIRECTORS

The fees paid to non-employee directors of American River Bankshares during 2003 included a retainer of \$250 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 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 Loan Committee also received a retainer fee of \$150 per month. In 2003, the total amount of fees paid by American River Bankshares to all directors as a group was \$77,900. In addition, certain directors of American River Bankshares also served as directors and/or committee members for the subsidiaries in existence during 2003, including American River Bank, North Coast Bank (which was subsequently reorganized as a division of American River Bank), and First Source Capital (a leasing subsidiary which was subsequently dissolved). In 2003, the total amount of fees paid by the subsidiaries to directors of American River Bankshares (in their capacities as directors and/or committee members for the subsidiaries) as a group was \$60,200.

On August 25, 1995, the board of directors authorized the grant to each outside director of a nonstatutory stock option to purchase 10,000 shares of American River Bankshares common stock at

44

\$10.50 per share (converted to 30,150 shares at \$3.483 as adjusted for stock splits and stock dividends). On March 19, 2003, then incumbent Directors Edgar Deas, Charles Fite, Sam Gallina, Dr. Wayne Matthews, Marjorie Taylor, Dr. Roger Taylor, Stephen Waks, and Larry Wasem were granted a nonstatutory stock option to purchase 1,940 shares of American River Bankshares common stock at \$22.34 per share (converted to 2,910 shares at \$14.893 as adjusted for a stock split). On May 21, 2003, Director Michael Ziegler was granted a nonstatutory stock option

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

to purchase 485 shares of American River Bankshares common stock at \$24.22 per share (converted to 727 shares at \$16.144 as adjusted for a stock split). The options for Directors Edgar Deas, Marjorie Taylor, and Larry Wasem expired upon their resignations as directors.

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. Directors Charles Fite, Sam Gallina, Dr. Roger Taylor and Stephen Waks are Plan participants. The Plan applies only to those options granted on August 25, 1995. 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.

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 2003, two directors participated in the Plan and deferred \$15,000.

In January 2003, the board of directors approved a Directors Retirement Plan (the "Retirement Plan") whereby each director, upon full retirement from American River Bankshares' 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 Retirement Plan contains a ten-year vesting component. A director vests 10% for each year of service on the board of directors of American River Bankshares or an affiliate board of directors. During 2003, former Director Burpo participated in this Retirement Plan and received payments totaling \$5,040.

45

BOARD COMPENSATION COMMITTEE REPORT ON EXECUTIVE COMPENSATION

The compensation of the executive officers of American River Holdings(1) and its subsidiaries is reviewed and approved annually by the board of directors on recommendation by the Compensation Committee. During 2003, Charles D. Fite (Chairman), Sam J. Gallina and Roger J. Taylor, D.D.S., 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, William L. Young(2), Raymond F. Byrne, and Douglas E. Tow, served as executive officers of American River Holdings and/or its subsidiaries during 2003 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 Holdings' strategic goals. The Compensation Committee reviews annually the compensation of the executive officers to insure that American River Holdings'

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

compensation programs are related to financial performance and consistent generally with employers of comparable size in the industry. Annual compensation for American River Holdings' 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 Holdings 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 2003 was set at 18% of net income prior to incentive accruals and adjusted for taxes. The actual amounts accrued in 2003 to be paid in 2004 represented 18% 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 Holdings' long-term success and link interests of the executive officer with those of shareholders as measured by American River Holdings' share price. Stock options are granted at the discretion of the board of directors and at the prevailing market value of American River Holdings common stock. Consequently, the value of the options is directly connected to the increase in value of American River Holdings' stock price. See the Summary Compensation Table and Option/SAR Exercise Table, and notes thereto for a further description of stocks options.

4) American River Holdings matches salary deferred by employees participating in its 401(k) Plan at a rate equal to 50% of the participant's contribution up to a maximum of 6% of such participant's 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

- (1) American River Holdings is the predecessor name for American River Bankshares.
- (2) William L. Young retired effective January 2, 2004.

EXECUTIVE COMPENSATION

Summary Table

Set forth below is the summary compensation paid during the three years ended December 31, 2003 to David T. Taber, Mitchell A. Derenzo, Gregory H. Patton, Raymond F. Byrne, and Douglas E. Tow, the only executive officers of American River Bankshares and American River Bank.

Summary Compensation Table

	Annual Compensation	Long-Term Awards
--	---------------------	---------------------

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

(a)	(b)	(c)	(d)	(e)	(f)	(g)
Name and Principal Position	Year	Salary (\$) (1)	Bonus (\$) (2)	Other Annual Compensation (\$) (3)	Restricted Stock Award(s) (\$)	Sec Und Opti (#)
David T. Taber, President and Chief Executive Officer	2003	\$200,000	137,617	-	-	6
	2002	175,000	44,688	-	-	
	2001	175,000	94,026	-	-	
Mitchell A. Derenzo, Executive Vice President and Chief Financial Officer	2003	125,000	41,568	-	-	3
	2002	105,124	18,387	-	-	
	2001	102,833	22,617	-	-	
Gregory H. Patton, President, American River Bank (6)	2003	98,613	30,643	-	-	2
	2002	95,214	11,669	-	-	
	2001	87,458	15,429	-	-	
Raymond F. Byrne, President, North Coast Bank, a division of American River Bank	2003	107,525	2,000	-	-	
	2002	102,000	3,340	-	-	
	2001	92,583	-	-	-	
Douglas E. Tow, Senior Vice President and Credit Administrator	2003	113,000	44,389	-	-	3
	2002	100,650	15,982	-	-	
	2001	98,457	21,656	-	-	

- (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.
- (2) Amounts indicated as bonus payments are listed in the year paid. The amounts listed as paid in 2003 were all earned in 2002. Additional amounts accrued in 2003 and paid in 2004 were \$133,333 to Mr. Taber; \$41,417 to Mr. Derenzo; \$37,289 to Mr. Patton, \$17,148 to Mr. Byrne, and \$35,880 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 2003, 2002, and 2001.
- (4) Represents the number of shares granted in the year indicated, as adjusted for stock splits and stock dividends. American River Bankshares 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 American River Bankshares and its subsidiaries. The 1995 Plan was replaced with American River Bankshares' 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 American River Bankshares, all outstanding options under the 1995 Plan will become fully vested and exercisable. Options granted under the 1995 Plan are adjusted to protect against dilution in the event of certain changes in American River Bankshares' 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

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

contributions, the use of an automobile owned by American River Bankshares, earned but unpaid interest on amounts deferred under American River Bankshares' Deferred Compensation Plan, excess life insurance premiums paid by American River Bankshares, and amounts accrued pursuant to post-retirement agreements as described below.

47

- (6) Represents compensation paid to Mr. Patton prior to his appointment in January 2004 as President of American River Bank.

Stock Options

The following table describes stock options that were granted pursuant to American River Bankshares' 2000 Stock Option Plan (the "2000 Stock Option Plan") to American River Bankshares' executive officers (except Mr. Patton) in the fiscal year ended December 31, 2003. The 2000 Stock Option Plan was approved by shareholders on September 21, 2000. All of the grants were made on March 19, 2003, based on achievement of 2002 corporate and personal performance objectives.

Option/SAR Grants in Last Fiscal Year

Name	Number of Securities Underlying Options/SARs Granted (#)	Percent of Total Options/SARs Granted to Employees in Fiscal Year	Exercise Price (\$/Sh)	Expiration Date
David T. Taber	6,750	18%	\$ 14.89333	3/19/20
Mitchell A. Derenzo	3,225	8%	14.89333	3/19/20
Gregory H. Patton	2,250	6%	14.89333	3/19/20
Raymond F. Byrne	937	2%	14.89333	3/19/20
Douglas E. Tow	3,225	8%	14.89333	3/19/20

- (1) All options are incentive stock options, which vest ratably over a five-year period commencing one year after the grant date. All options have an exercise price equal to the market value on the date of grant. The number of shares granted and the option price have been adjusted to reflect the 3 for 2 stock split distributed on October 31, 2003. The terms of all of American River Bankshares' 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 \$3.50, the assumptions used include a risk-free rate equal to the seven-year interpolated treasury yield of 3.52%, volatility of 19.6%, and a seven-year maturity.

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 2003, 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, 2003, the value of such options based on the closing price of American River Bankshares' common stock, and certain information concerning unexercised options under the 1995 and 2000 Stock Option Plans.

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

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)	Val Unex in-t Opti at Fiscal Exer Unexe (e)
David T. Taber	-	\$ -	75,382 / 6,750	\$ 1,267,7
Mitchell A. Derenzo	4,500	\$ 57,889	25,651 / 3,225	\$ 363,3
Gregory H. Patton	-	\$ -	17,229 / 2,250	\$ 181,7
Raymond F. Byrne	-	\$ -	- / 937	\$
Douglas E. Tow	2,524	\$ 50,886	19,803 / 3,225	\$ 250,2

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

48

EMPLOYMENT CONTRACTS AND TERMINATION OF EMPLOYMENT AND CHANGE IN CONTROL ARRANGEMENTS

In August 2003, American River Bankshares entered into an employment agreement with David T. Taber. The agreement provides for an original term of two years subject to automatic extensions of two years following expiration of the original term and 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 47. The base salary 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 American River Bankshares' 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 the amounts received from state disability insurance or workers' compensation or other similar insurance benefits through policies provided by American River Bankshares; (iii) stock option grants in the discretion of the board of directors under American River Bankshares' 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 American River Bankshares to conduct or continue its business, the loss by American River Bankshares of its legal capacity to contract or American River Bankshares' 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

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

(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 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, Douglas E. Tow, Raymond F. Byrne and Gregory H. Patton 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.

49

American River Bankshares purchased insurance policies 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.

OTHER COMPENSATION ARRANGEMENTS

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 Holdings Deferred Compensation Plan and beginning January 1, 2001, American River Bankshares now bears the administration costs for participants that are employed by American River Bankshares and each subsidiary bears the costs for participants that are employed by the subsidiary.

EQUITY COMPENSATION PLAN INFORMATION

The chart below summarizes share information about American River

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

Bankshares' equity compensation plans including the 1995 Stock Option Plan and the 2000 Stock Option Plan as of December 31, 2003. Both of these plans have been approved by American River Bankshares' shareholders. American River Bankshares has no other equity compensation plan and there are no warrants or other rights outstanding that would result in the issuance of shares of American River Bankshares' 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 of available under eq plans c (exclu reflect
	(a)	(b)	
Equity compensation plans approved by security holders	549,349(1)	\$ 6.39	
Equity compensation plans not approved by security holders	-0-	-0-	
Total	549,349	\$ 6.39	

(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.

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 S&P 500 Index as of the end of each of the last five fiscal years. The following table assumes that \$100.00 was invested on December 31, 1998 in American River Bankshares (previously named American River Holdings) 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.

50

AMERICAN RIVER BANKSHARES

[CHART APPEARS HERE]

	PERIOD ENDING					
Index	12/31/98	12/31/99	12/31/00	12/31/01	12/31/02	12/31/03

Edgar Filing: AMERICAN RIVER BANKSHARES - Form S-4

American River Bankshares	100.00	90.67	91.95	112.23	180.05	236.00
S&P 500	100.00	121.11	110.34	97.32	75.75	97.51
NASDAQ--Total US	100.00	185.95	113.19	89.65	61.67	92.90
SNL						