



River City Bank Reports 2025 Second Quarter Net Income of \$15.4 Million and a Quarterly Cash Dividend

July 16, 2025

The Bank Crossed the \$500 Million Milestone in Shareholders' Equity for the First Time in its History

SACRAMENTO, Calif. – River City Bank (the Bank) reported net income of \$15.4 million, or \$10.52 per diluted share, for the quarter ended June 30, 2025, which compares to \$17.2 million, or \$11.66 per diluted share, for the same period in 2024. Net income was \$27.7 million or \$18.91 per diluted share for the six months ended June 30, 2025, which compares to \$35.9 million, or \$24.29 per diluted share, for the six months ended June 30, 2024. The Bank's earnings for the six months ended June 30, 2025 resulted in an 11.1% return on equity capital and 1.04% return on assets. The Bank's book value per share rose to \$356 as of June 30, 2025 from \$310 per share as of June 30, 2024.

Significant items impacting quarterly net income for June 30, 2025 and 2024 include the following:

- Higher loan balances – Average loans outstanding for the quarter ended June 30, 2025 were \$478 million higher than the same period in the prior year, thereby increasing interest income from loans despite a 0.21% decrease in loan yields to 5.38% (including the impact of fair value hedges) compared to the same period in 2024.
- Deposit growth – Average deposits for the quarter ended June 30, 2025 grew by \$259 million compared to the same period in the prior year, partially supporting the Bank's loan growth, with the remainder financed by a reduction in excess cash balances. Cost of funds decreased for the quarter ended June 30, 2025 by 0.20% to 2.91% from the same period in 2024.
- The Bank recognized a \$2.6 million reduction to income related to free-standing interest rate swaps during the current quarter compared to \$2.1 million increase to income in the prior year quarter, or a variance of \$4.7 million when comparing the two periods. The current quarter impact is made up of a mark-to-market loss of \$4.0 million, partially offset by \$1.4 million in net payments received from swap counterparties. These swaps were entered into for the purpose of hedging the medium-term fixed rate loans in the Bank's loan portfolio, as part of the Bank's standard interest rate risk management program. Until these interest rate swaps are designated as a hedge to specific assets or liabilities, the mark-to-market fluctuations (positive and negative) will flow through the income statement.
- The Bank recognized zero provision for credit losses for the current quarter compared to a provision of \$3.0 million for the prior year quarter. The Bank had nearly zero non-performing loans as of June 30, 2025, and the Bank's Allowance for Credit Losses for Loans was 2.33% of Gross Loans as of June 30, 2025.

"The decrease in earnings vs. the prior year period is primarily a function of the accounting for a small portion of our interest rate swap portfolio. All our swaps have been executed to hedge our interest rate risk – none are for speculative purposes. As such, short-term mark-to-market gains and losses in the portfolio are not reflective of the long-term benefit to our balance sheet position," said [Steve Fleming, president and chief executive officer](#). "The Bank continues to perform at a high level, as reflected in the metrics of return on equity, return on assets, and operating efficiency. Credit quality remains pristine as we have not suffered any material losses on loans originated since the current management team took over in 2008. On the other hand, loan growth has been slower in the first six months of 2025 than in recent years due to reduced borrower demand which is driven by a perception by borrowers that (a) interest rates are high (and will decline) and (b) the outlook for the economy is more uncertain than normal. Rest assured that we will be well positioned to return to our more normal loan growth once borrower demand picks up."

"The Bank's high quality investment securities portfolio continues to perform well with small unrealized losses of 0.8% and the Bank continues to maintain high levels of liquidity with \$964 million of on balance sheet cash and investments combined with nearly \$1.7 billion in available borrowing capacity," said [Brian Killeen, chief financial officer of River City Bank](#). "Operational efficiency remains a core competency for the Bank, as evidenced by our 36% efficiency ratio for the six months ended June 30, 2025."

Shareholders' equity for River City Bank on June 30, 2025 increased \$25 million to \$510 million when compared to \$485 million as of December 31, 2024. The increase was driven primarily by the current year retained earnings and an increase in the value of the investment portfolio. The Bank's capital ratios remain healthy and well above the regulatory definition for being Well Capitalized with a Tier 1 Leverage Ratio of 9.4% as of June 30, 2025.

Additionally, Mr. Fleming announced that [the Bank's board of directors](#) has approved a cash dividend of \$0.40 per common share to shareholders of record as of July 29, 2025, and payable on August 12, 2025.

[View the 2025 Second Quarter earnings data](#).

About River City Bank

As a leading boutique commercial bank with assets over \$5 billion, River City Bank is the largest, independent, locally owned and managed bank in the Sacramento region, with an office in San Francisco and a presence in Southern California. River City Bank offers a comprehensive suite of banking services with a tailored, concierge-like level of service, to redefine the banking experience. Please visit www.rivercitybank.com or call [\(916\) 567-2600](tel:9165672600). Member FDIC. Equal Housing Lender.