River City Bank Reports 2025 Third Quarter Net Income of $19.7 Million, Net Income of $47.4 Million Year to Date, and a Quarterly Cash Dividend

October 24, 2025

The Bank Announces a Ten-For-One Stock Split

SACRAMENTO, Calif. – River City Bank ("the Bank") reported net income of $19.7 million, or $13.56 per diluted share, for the quarter ended September 30, 2025, which compares to $16.2 million, or $11.09 per diluted share, for the same period in 2024. Net income was $47.4 million or $32.44 per diluted share for the nine months ended September 30, 2025, which compares to $52.1 million, or $35.38 per diluted share, for the nine months ended September 30, 2024. The Bank's earnings for the nine months ended September 30, 2025 resulted in a 12.5% return on equity capital and 1.2% return on assets. The Bank's book value per share rose to $370 as of September 30, 2025 from $324 per share as of September 30, 2024.

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

- Higher loan balances – Average loans outstanding for the quarter ended September 30, 2025 were $372 million higher than the same period in the prior year, thereby increasing interest income from loans despite a 0.23% decrease in loan yields to 5.51% (including the impact of fair value hedges) compared to the same period in 2024.
- Deposit growth – Average deposits, for the quarter ended September 30, 2025, grew by $227 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 September 30, 2025 by 0.29% to 2.80% from the same period in 2024.
- The Bank recognized a $45,000 reduction in income related to free-standing interest rate swaps during the current quarter compared to $6.2 million decrease to income in the prior year quarter, or a variance of $6.2 million when comparing the two periods. The current quarter impact is made up of a mark-to-market loss of $1.6 million, largely offset by $1.5 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 $644,000 reversal of provision for credit losses for the current quarter compared to a reversal of provision of credit losses of $2.0 million for the prior year quarter. As of September 30, 2025, the Bank had zero non-performing loans, virtually no delinquent loans, and the Bank's Allowance for Credit Losses for Loans was 2.27% of gross loans.

"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. The increase in net income in the third quarter of 2025 as compared to the third quarter of 2024 is primarily a function of the accounting for a small portion of our interest rate swap portfolio. All our swaps have been executed to economically 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. "Loan growth has been slower in the first nine 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."

"Operational efficiency remains a core competency for the Bank, as evidenced by our 33% efficiency ratio for the nine months ended September 30, 2025" said Brian Killeen, chief financial officer of River City Bank. "The Bank's high quality investment securities portfolio continues to perform well with small unrealized losses of 0.6% and the Bank continues to maintain high levels of liquidity with $1.0 billion of on balance sheet cash and investments combined with nearly $1.9 billion in available borrowing capacity."

Shareholders' equity for River City Bank on September 30, 2025 increased $43 million to $528 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 9.5% as of September 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 November 4, 2025, and payable on November 18, 2025.

Lastly, Mr. Fleming announced that the Bank's board of directors approved and declared a ten-for-one forward split of the shares of the Bank's common stock. The stock split is a means to enhance liquidity and marketability of the Bank's common stock, which is in the best interest of shareholders.

The split will be in the form of a stock dividend in which each shareholder as of the close of business on December 1, 2025 will receive nine additional shares of the Bank's common stock for each share held, to be distributed after the close of business on December 15, 2025. The stock split, which will result in every one (1) share of Bank common stock being converted into ten (10) shares of the Bank's common stock, will have no impact on the voting and other rights of shareholders and will have no impact on the Bank's business operations. The stock split will increase the number of shares of RCB's outstanding common stock from approximately 1.4 million shares to approximately 14.2 million shares (using September 30, 2025 outstanding share totals).

View the 2025 Third 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 . Member FDIC. Equal Housing Lender.