River City Bank Reports Net Income of $68.4 Million for 2025 and Net Income for the Fourth Quarter of $21.0 Million

January 29, 2026

The Bank Also Announces an Increase in the Quarterly Cash Dividend

SACRAMENTO, Calif., January 29, 2026- River City Bank ("the Bank") reported net income of $68.4 million or $4.69 per diluted share for the year ended December 31, 2025, which compares to $73.4 million, or $4.99 per diluted share, for the year ended December 31, 2024. The Bank also reported net income of $21.0 million, or $1.45 per diluted share, for the quarter ended December 31, 2025, which compares to $21.3 million, or $1.45 per diluted share, for the same period in 2024. The Bank's earnings for the year ended December 31, 2025 resulted in a 13.31% return on average equity and a 1.25% return on average assets. The Bank's book value per share rose to $38.43 as of December 31, 2025 from $33.65 per share as of December 31, 2024.

Significant items impacting net income for the years ended December 31, 2025 and 2024 include the following:

- Loan growth – Average loans outstanding for the year ended December 31, 2025 were $446 million higher than the prior year, thereby increasing interest income from loans by $17.3 million despite an 18 basis point decrease in loan yields to 5.46% (including the impact of fair value hedges) compared to 5.64% in 2024.
- Decreased investment securities balances and yields – Average investment securities and cash balances declined by $133 million in 2025 while yields decreased from 4.76% in 2024 to 4.08% in 2025.
- Deposit growth – Average deposits grew by $301 million in 2025 compared to the prior year, supporting the Bank's loan growth. Cost of funds decreased for 2025 by 19 basis points to 2.85% from 3.04% in 2024. These two items led to a slight reduction in interest expense of $2.0 million for 2025, when compared to the prior year.
- The Bank recognized a $4.7 million reduction in income related to free-standing interest rate swaps during 2025 compared to a $9.5 million increase to income in the prior year. 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. Approximately 14% of the Bank's interest rate swaps are free-standing as of December 31, 2025, and 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 recorded a $2.0 million provision for credit losses for 2025 compared to a $7.5 million provision of credit losses for the prior year. As of December 31, 2025, the Bank had zero non-performing loans, virtually no delinquent loans (0.02% of total loans), and the Bank's Allowance for Credit Losses for Loans was 2.24% of gross loans.

"Operating results were strong in 2025 despite net income being slightly lower in 2025 compared to 2024. Also, the Bank saw above-industry-average growth, ending the year with $5.8 billion in total assets. These results demonstrate the appreciation our customers have for more than 50 years of consistently exceptional service the Bank continues to deliver," 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. The Bank continues to utilize interest rate swap derivatives to manage our interest rate risk. 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."

"Operational efficiency remains a core competency for the Bank, as evidenced by our 2025 efficiency ratio of 31%," said Brian Killeen, chief financial officer of River City Bank. "We view this operational efficiency as a competitive advantage that we have sustained for many years. The Bank's high quality investment securities portfolio continues to perform well with small unrealized losses of 0.4% and the Bank continues to maintain high levels of liquidity with $1.2 billion of cash and investments combined with $2.0 billion in available borrowing capacity."

Shareholders' equity for River City Bank on December 31, 2025 increased $63 million to $548 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% and a Total Risk Based Capital Ratio of 14.0% as of December 31, 2025.

As previously announced, during December 2025, the Bank completed a ten-for-one forward stock split of its common stock shares (effectuated as a stock dividend). The stock split was done to enhance liquidity and marketability of the Bank's common stock, which is in the best interest of shareholders. All per share and share count disclosures in this release have been updated to reflect the stock split in both the current and past periods disclosed.

Additionally, Mr. Fleming announced that the Bank’s board of directors has approved a cash dividend of $0.05 per common share (increased from $0.04 per common share) to shareholders of record as of February 10, 2026, and payable on February 24, 2026.

View the 2025 Fourth Quarter Earnings Data.

About River City Bank

As a leading boutique commercial bank with assets over $6 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.