



River City Bank Reports 2025 First Quarter Net Income of \$12.3 Million and a Quarterly Cash Dividend

April 23, 2025

SACRAMENTO, Calif. – River City Bank (the Bank) reported net income of \$12.3 million, or \$8.39 per diluted share, for the quarter ended March 31, 2025, which compares to \$18.7 million, or \$12.63 per diluted share, for the same period in 2024. The Bank's earnings for the quarter ended March 31, 2025 resulted in a 10.0% return on equity capital and 0.93% return on assets. The Bank's book value per share rose to \$345 as of March 31, 2025 from \$299 per share as of March 31, 2024.

Significant items impacting quarterly net income for March 31, 2025 and 2024 include the following:

- Higher loan balances – Average loan outstandings for the quarter ended March 31, 2025 were \$580 million higher than the same period prior year, thereby increasing interest income from loans despite a 0.24% 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 grew by \$221 million compared to the same period in the prior year, partially supporting the Bank's loan growth, with the remainder financed via reducing excess cash balances. Cost of funds decreased by 0.19% to 2.91% from the same period in 2024.
- The Bank recognized a \$5.1 million reduction to income related to free-standing interest rate swaps during the current quarter compared to \$6.5 million increase to income in the prior year quarter, or a variance of \$11.6 million when comparing the two periods. The current quarter impact is made up of a mark-to-market loss of \$6.4 million, partially offset by \$1.3 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 provision for credit losses for the current quarter was a reversal of \$0.1 million compared to an addition of \$4.0 million for the prior year quarter. The Bank had zero non-performing loans as of March 31, 2025, and the Bank's Allowance for Credit Losses for Loans was 2.36% of Gross Loans as of March 31, 2025.

"The Bank continues to perform at a high level. 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](#). "Our loan quality remains pristine with virtually no delinquencies or non-performing loans. We will remain diligent with our credit monitoring related to potential impacts in the office segment of our [commercial real estate](#) loan portfolio and continue to help our commercial customers manage their businesses in the face of economic uncertainty."

"The Bank's high quality investment securities portfolio continues to perform well with relatively small unrealized losses of less than 1.0% and there are no investment securities categorized as held-to-maturity," said Brian Killeen, chief financial officer of River City Bank. "Operational efficiency remains a core competency for the Bank, as evidenced by our 39% efficiency ratio for the quarter ended March 31, 2025."

Shareholders' equity for River City Bank on March 31, 2025 increased \$13 million to \$498 million when compared to the \$485 million as of December 31, 2024. The increase was driven by 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 9.3% as of March 31, 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 May 6, 2025, and payable on May 20, 2025.

[View the earnings data here](#) .

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](tel:9165672600). Member FDIC. Equal Housing Lender.