OFFERING CIRCULAR

2,700,000 Shares

River City Bank

Common Stock

This is the initial public offering of shares of common stock of River City Bank, a California state-chartered bank. The selling shareholders identified in this offering circular are offering 2,700,000 shares of River City Bank common stock. We will not receive any proceeds from the sales of shares by the selling shareholders in this offering.

Prior to this offering, our common stock was quoted on the OTCID Basic Market operated by the OTC Markets Group, Inc. under the symbol "RCBC." On August 5, 2026, the last reported closing price for our common stock on the OTCID Basic Market was $49.55 per share. The public offering price of our common stock is $45.00 per share. Our common stock has been approved for listing on the NASDAQ Capital Market under the symbol "RCBC."

Investing in our common stock involves risk. See the section entitled "*Risk Factors*" beginning on page 26 of this offering circular.

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 and, as such, have elected to comply with reduced public company reporting and disclosure requirements.

This document constitutes an offering circular covering securities that are exempt from registration under the Securities Act of 1933, as amended (the "Securities Act") pursuant to Section 3(a)(2) thereof. These securities have not been approved or disapproved by the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, the California Department of Financial Protection and Innovation, nor any other regulatory body, nor has the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, the California Department of Financial Protection and Innovation, nor any other regulatory body passed upon the adequacy or accuracy of the disclosure in this offering circular. Any representation to the contrary is a criminal offense.

Shares of our common stock are not savings accounts, deposits or other obligations of any bank, are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency, and are subject to investment risks, including the possible loss of the entire amount you invest.

	Per Share	Total
Public offering price	$45.00	$121,500,000
Underwriting discounts (1)	$ 2.19	$ 5,913,000
Proceeds to the selling shareholders, before expenses	$42.81	$115,587,000

(1) See "Underwriting" for additional information regarding underwriting compensation.

At our request, the underwriters have reserved up to 10% of the shares of common stock offered by this offering circular for sale at the initial public offering price through a directed share program to our directors, executive officers, shareholders, employees, business associates and related persons who have expressed an interest in purchasing our common stock in this offering. See the section entitled "*Underwriting—Directed Share Program*."

The shares of common stock in this offering will be ready for delivery on or about August 7, 2026.

Joint Book-Running Managers

Raymond James **Keefe, Bruyette & Woods**
A Stifel Company

Co-Managers

D.A. Davidson & Co. **Stephens Inc.**

The date of this offering circular is August 5, 2026.

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About this Offering Circular

You should rely only on the information contained in this offering circular or in any supplement or addendum that we authorize to be delivered to you. We, the selling shareholders and the underwriters have not authorized anyone to provide you with different or additional information. The selling shareholders and the underwriters are not making an offer of these securities in any jurisdiction where the offer is not permitted. You should not assume that the information contained in this offering circular is accurate as of any date other than the date on the front of this offering circular. Our business, financial condition, results of operations and prospects may have changed since that date.

Unless we state otherwise or the context otherwise requires, references in this offering circular to "we," "our," "us" or the "Bank" refer to River City Bank, a California state-chartered bank.

Market and Industry Data

Within this offering circular, we reference certain market, industry and demographic data and other statistical information. We have obtained this data and information from various independent, third-party industry sources and publications. Nothing in the data or information used or derived from third party sources should be construed as advice. Some data and other information are also based on our good faith estimates, which are derived from our review of internal surveys and independent sources. We believe that these external sources and estimates are reliable, but have not independently verified them. Statements as to our market position are based on market data currently available to us. Although we are not aware of any misstatements regarding the economic, employment, industry and other market data presented herein, these estimates involve inherent risks and uncertainties and are based on assumptions that are subject to change. Forward-looking information obtained from these sources is subject to the same qualifications and the additional uncertainties regarding the other forward-looking statements in this offering circular.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"). An emerging growth company may take advantage of reduced reporting requirements that would otherwise be required by law in the case of a registered offering of securities under the Securities Act and is relieved of certain other significant requirements that are otherwise generally applicable to reporting companies under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). We are not subject to these requirements for this offering, because this offering is not registered under the Securities Act. However, following this offering we will be subject to the Exchange Act (as discussed below).

For purposes of this offering circular and consistent with the requirements applicable to emerging growth companies under the Securities Act, we have elected to only present (i) two years of audited consolidated financial statements and the related management's discussion and analysis of financial condition and results of operations for those periods, and (ii) less extensive disclosure regarding our executive compensation arrangements.

Following our initial public offering, upon our registration as a reporting company under the Exchange Act, we expect to continue to qualify as an emerging growth company and, as such, may elect to take advantage of relief for emerging growth companies under the Exchange Act, including:

- we may present only two years of audited financial statements and two years of related management discussion and analysis of financial condition and results of operations;
- we are exempt from the requirement to obtain an attestation and report from our auditors on management's assessment of our internal control over financial reporting under the Sarbanes-Oxley Act of 2002;
- we are permitted to provide less extensive disclosure about our executive compensation arrangements; and
- we are not required to give our shareholders non-binding advisory votes on executive compensation or golden parachute arrangements.

We will remain an emerging growth company until the earliest of (i) the last day of the fiscal year in which our annual gross revenues are $1.235 billion or more, (ii) the end of the fiscal year following the fifth anniversary of the completion of this offering, (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt and (iv) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act.

In addition to the relief described above, the JOBS Act exempts emerging growth companies from compliance with new or revised financial accounting standards until private companies (that is, those that have not had a registration statement declared effective under the Securities Act, or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of this extended transition period and comply with the requirements that apply to non-emerging growth companies, but any such election to opt out is irrevocable. We have elected not to opt out of such extended transition period, which means that when a standard is issued or revised and it has different application dates for public or private companies, we, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make our consolidated financial statements not comparable with those of a public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period because of the potential differences in accounting standards used. We cannot predict if investors will find our common stock less attractive as a result of our election to rely on these exemptions. If some investors find our common stock less attractive as a result, there may be a less active trading market for our common stock and our stock price may be more volatile.

OFFERING CIRCULAR SUMMARY

This summary highlights selected information contained elsewhere in this offering circular. It does not contain all the information that you should consider before deciding to invest in our common stock. You should read the entire offering circular carefully, including the sections entitled "Risk Factors," "Cautionary Note Regarding Forward-Looking Statements" and "Management's Discussion and Analysis of Financial Condition and Results of Operations," and the historical financial statements and the accompanying notes included in this offering circular.

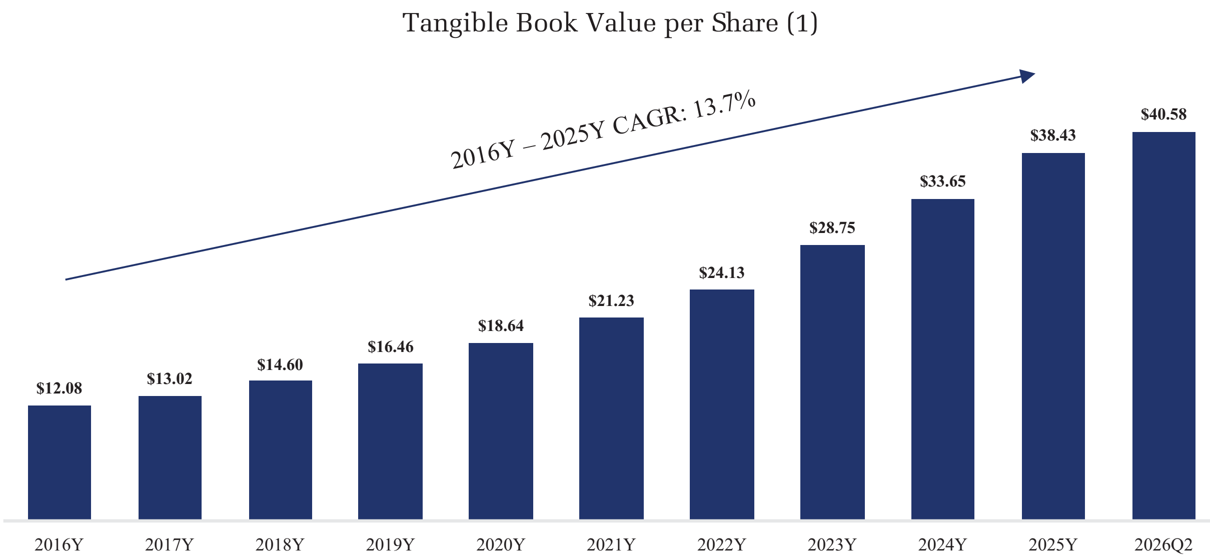
Company Overview

River City Bank is a California-chartered commercial bank headquartered in Sacramento, California. The Bank was founded in 1973 by Jon S. Kelly, a successful Sacramento-based serial entrepreneur, and aimed to provide customers with high-quality financial services with a focus on responsiveness and reliability. We are one of Northern California's largest and most established independent financial institutions, ranking fifth by deposits in the Sacramento-Roseville-Folsom metropolitan statistical area (the "Sacramento MSA") as of June 30, 2025, and serve clients through eight full-service branches across the Sacramento MSA and a loan production office in San Francisco, California. We are the largest independent bank headquartered in Sacramento, the capital of California, which is the largest and most diversified state by Gross Domestic Product ("GDP") in the United States and, according to the latest available IMF World Economic Outlook and Bureau of Economic Analysis data, would rank fifth in GDP in the world if it were a country. Since late 2008, when Stephen A. ("Steve") Fleming joined the Bank as President and Chief Executive Officer, and early 2009 when Shawn Kelly Devlin took over as Chairman of the River City Bank Board, the Bank has emphasized shareholder value creation through conservative credit practices and relentless focus on operational efficiency, which has led to consistent and robust earnings performance and strong organic growth. As of June 30, 2026, we reported total assets of $6.0 billion, total deposits of $5.4 billion, total loans of $4.7 billion, and total shareholders' equity of $568 million.

Our success is driven by:

- Our boutique commercial banking model, which provides tailored financial solutions to our customers utilizing a consultative selling approach;
- Robust and disciplined organic growth achieved without compromising credit quality;
- Maintaining our position as an efficient and low-cost provider of financial products and services;
- A focused expertise in commercial real estate ("CRE") lending, where we have a long history of strong performance;
- An unwavering commitment to conservative credit standards and prudent risk management;
- Active management of interest rate risk through the strategic use of derivative instruments for hedging; and
- A shareholder-oriented culture, with a commitment to compounding tangible book value at an accelerated rate.

Our focused business model has delivered consistent results for our shareholders, with tangible book value per share having grown from $12.08 per share as of December 31, 2016 to $40.58 per share as of June 30, 2026. From December 31, 2016 to December 31, 2025, we achieved a 13.7% compound annual growth rate ("CAGR"). The year-to-date increase in tangible book value per share was impacted by approximately $13.5 million of share repurchases completed during the first half of 2026. Tangible book value per share is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States, or GAAP. See section entitled "*Non-GAAP Financial Measures*" for more information.



(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure. 2016 is the only shown year that differs from Book Value per Share, a GAAP accepted metric.

Deep and Experienced Management Team

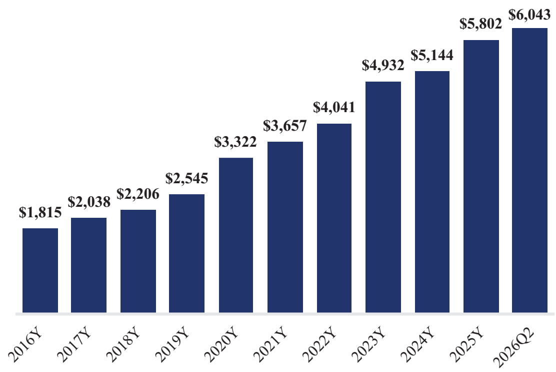
Our seasoned executive management team has consistently delivered shareholder value through disciplined organic growth and sustained profitability. Members of our leadership team have, on average, more than 24 years of experience working at various sized financial institutions through multiple economic cycles, providing the necessary perspective to navigate changing market conditions. Our leadership team members have been with the Bank for an average of 15 years, a tenure that provides stability and continuity. Our executive team has built a transparent and entrepreneurial culture that emphasizes accountability, innovation, integrity and collaboration; values that have driven our ability to attract and retain exceptional banking talent and maintain long-standing relationships with clients and stakeholders.

Balance Sheet Growth & Financial Returns

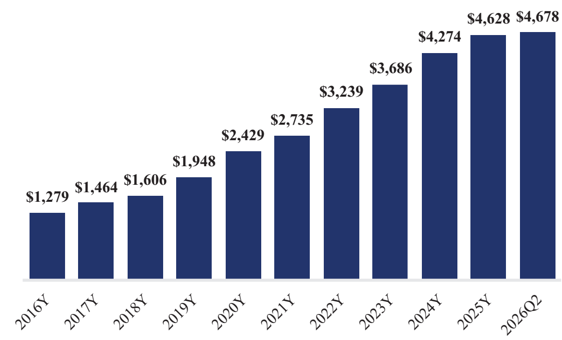
We have delivered consistent and attractive profitability through multiple economic cycles, supported by disciplined balance-sheet management and a consistent, repeatable operating model. Our proactive interest-rate risk management has enabled us to maintain a steady net interest margin through some of the most challenging and volatile rate environments. During the aggressive rate hike cycle of 2022-2023, our hedging strategy kept our margin stable and allowed us to move through a difficult period for the industry with no disruption to our consistent and strong financial results.

From December 31, 2016 through June 30, 2026, we grew our total assets from $1.8 billion to $6.0 billion, total gross loans from $1.3 billion to $4.7 billion, total deposits from $1.3 billion to $5.4 billion, and total shareholders' equity from $171 million to $568 million. The charts below illustrate the growth in the dollar balances of our total assets, loans, deposits, and shareholders' equity for the ten-and-a-half-year period ended June 30, 2026.

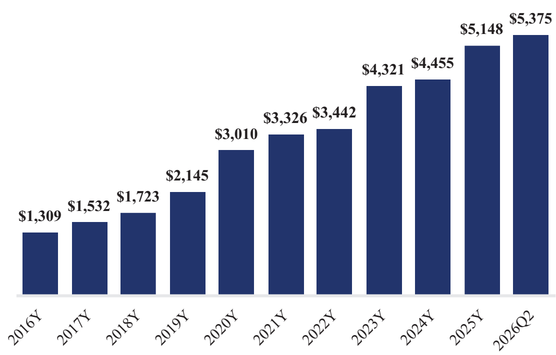
Total Assets
($ in millions)



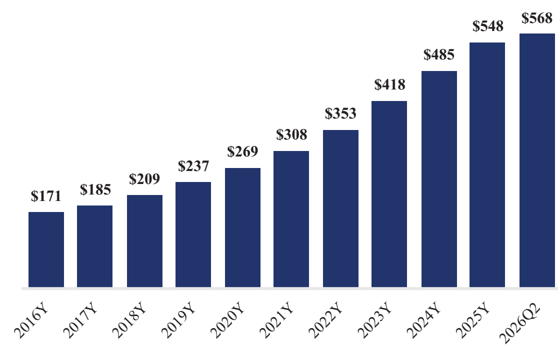
Total Loans
($ in millions)



Total Deposits
($ in millions)

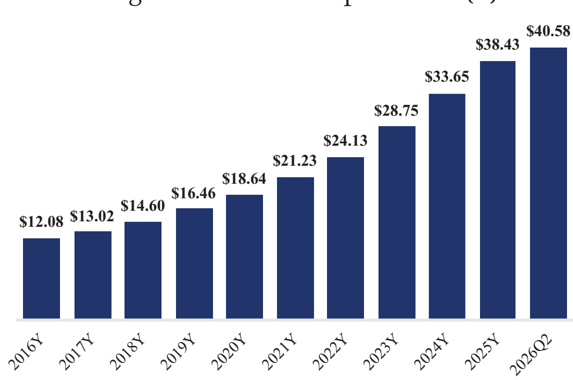


Total Shareholders' Equity
($ in millions)

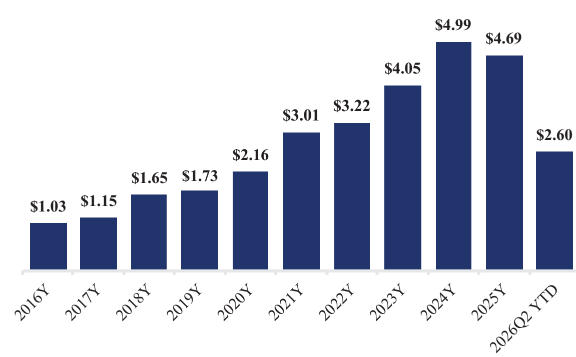


Over the past ten-and-a-half years, we have delivered consistent growth per share in each of tangible book value per share and earnings per share. Tangible book value per share increased from $12.08 as of December 31, 2016 to $40.58 as of June 30, 2026. Earnings per share rose from $1.03 for the year ended December 31, 2016 to $4.69 for the year ended December 31, 2025. This sustained performance reflects our ability to compound shareholder value through stable earnings and prudent balance sheet management. The tables below include financial measures that are not presented in accordance with GAAP. See section entitled "*Non-GAAP Financial Measures*" for more information.

Tangible Book Value per Share (1)



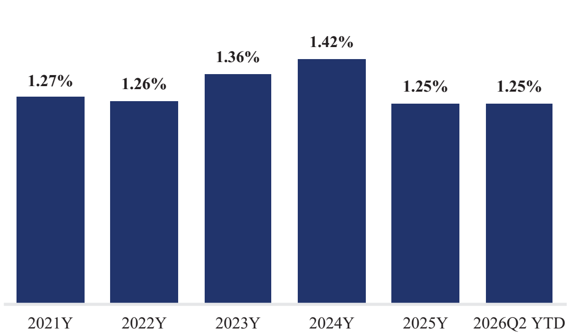
Earnings per Share



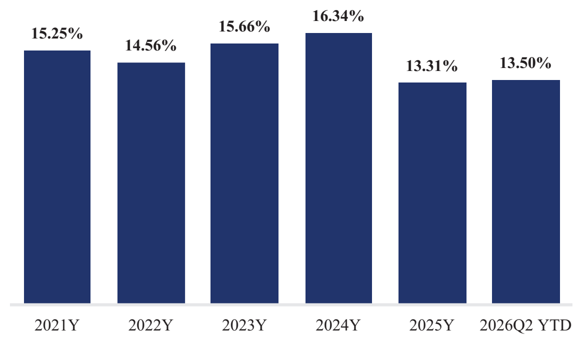
(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure. 2016 is the only shown year that differs from Book Value per Share, a GAAP accepted metric.

Over the five-and-a-half-year period ended June 30, 2026, we have delivered consistent profitability while continuing to grow the balance sheet, maintaining a strong return on average assets (“ROAA”) and return on average equity (“ROAE”).

ROAA



ROAE

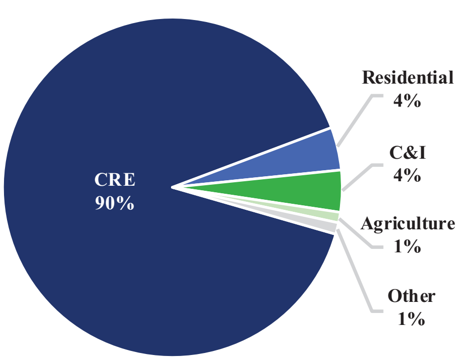


Attractive Lending Portfolio and Unwavering Credit Quality Discipline

Our loan portfolio is concentrated in CRE, with 90.2% of our outstanding loans secured by commercial real estate as of June 30, 2026. Maintaining sound asset quality is a top priority, and we have a long track record of negligible loan losses, non-performing assets, and other real estate owned (“OREO”). Our underwriting and credit philosophy is focused on:

- Low financial leverage borrower profile at origination, as evidenced by the credit metrics (*i.e.*, loan-to-value (“LTV”) ratios, debt yields, and debt service coverage (“DSCR”) ratios);
- A borrower/sponsor profile of seasoned (through various economic cycles) CRE professionals and family offices who typically own multiple properties, have a long-term orientation, and have significant “skin in the game”;
- Collateral in the form of stabilized occupancy properties which provide significant and reliable cash flow with little reliance on speculative “value-add” actions in the future;
- Regular and proactive communication with borrowers to ensure ongoing credit oversight, including early identification of problems or issues;
- A rigorous and frequent portfolio review process with the Bank’s senior management and the portfolio management team, resulting in timely changes in risk ratings and action plans to protect the Bank’s exposure, when appropriate; and
- An experienced and well-trained credit analysis and portfolio management team with extensive industry expertise.

Loan Portfolio Composition
As of June 30, 2026

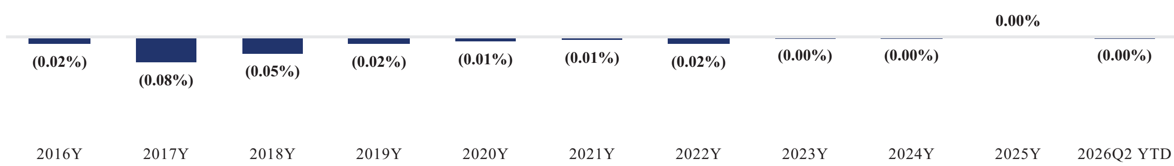


Loan Portfolio Breakout
As of June 30, 2026

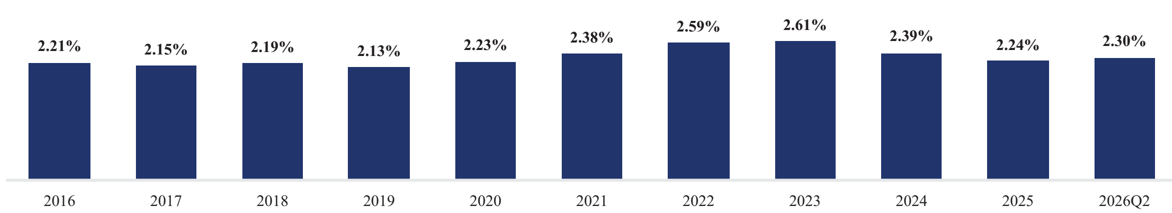
Category	Amount	Accounts	W.A. Yield	% Fixed Rate	% of Portfolio
CRE	$4,222	657	4.61%	77%	90%
Residential	$ 191	486	3.74%	100%	4%
C&I	$ 155	245	5.42%	50%	4%
Agriculture	$ 59	27	6.04%	44%	1%
Other	$ 51	176	6.81%	38%	1%
Total	**$4,678**	**1,591**	**4.64%**	**76%**	**100%**

We maintain a disciplined, loan-level approach to credit oversight that emphasizes continuous monitoring of borrower performance and collateral strength. Each credit relationship is reviewed regularly, with management evaluating both current and projected cash-flow metrics across the portfolio. In addition, we assess concentration exposure by asset class, property type, tenancy, and geography, as well as how potential shocks to collateral values could affect LTV and leverage profiles. This proactive monitoring framework allows us to identify emerging risks early and adjust underwriting, pricing, or reserve strategies as appropriate. Through this consistent, data-driven approach, the Bank has developed a long-standing record of pristine asset quality, characterized by negligible charge-offs, low levels of non-performing assets, and stable credit performance across market cycles. In addition, we maintain an adequate allowance for credit losses. The following charts show our net charge-offs (recoveries) and our allowance for credit losses compared to total loans over the ten-and-a-half-year period ended June 30, 2026.

Net Charge-Offs (Recoveries) / Average Loans



Allowance for Credit Losses / Loans



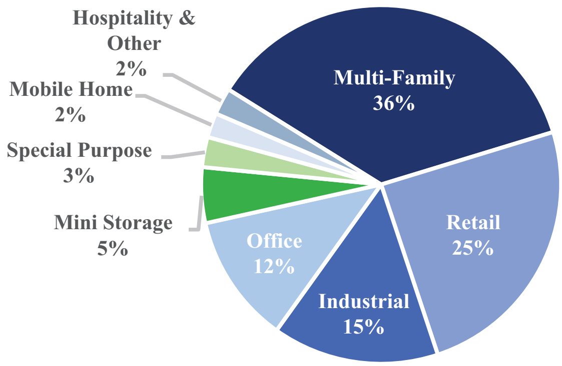
Our CRE loan portfolio exhibits exceptionally strong credit characteristics, with a weighted average LTV ratio of 39% at origination (for the portfolio as of June 30, 2026). Additionally, the CRE loan portfolio has an estimated weighted average debt yield of 16.8%, and an estimated DSCR of 2.49, both as of March 31, 2026. These metrics reflect a low-leverage portfolio supported by substantial borrower equity and strong cash flow coverage, consistent with our emphasis on risk-adjusted performance and prudent growth. The following table provides the weighted average LTV at origination by CRE asset classes within our CRE loan portfolio at June 30, 2026.

$ in millions CRE Asset Class	Balance	% of CRE Outstanding	LTV W.A.	Count
Multifamily	$1,527	36%	39%	181
Retail	$1,034	25%	39%	152
Industrial	$ 631	15%	38%	132
Office	$ 489	12%	44%	95
Mini Storage	$ 230	5%	35%	45
Mobile Home	$ 92	2%	35%	17
Special Purpose	$ 114	3%	34%	14
Hospitality	$ 97	2%	38%	14
Other	$ 9	0%	37%	7
Total	**$4,222**	**100%**	**39%**	**657**

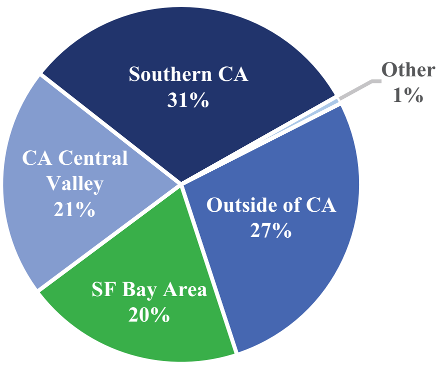
We focus our CRE lending on properties with stable operating histories, experienced sponsors, and predictable income streams, supported by comprehensive cash flow analysis and ongoing review of debt service capacity. Each loan is subject to stringent credit approval processes that consider borrower experience, property location, performance trends, including foot traffic, construction quality, and geographic or sector concentration limits. Loans are generally originated with meaningful borrower equity contributions (50% LTV or less), aligning incentives between our clients and our institution. This strategic approach underpins our ability to maintain credit quality through economic cycles and changing rate environments.

The CRE portfolio is geographically diversified throughout the Western United States, with the largest exposures in Southern California, the Central Valley, and the San Francisco Bay Area. In the last four years, the Bank has extended its CRE lending platform outside of California, with out-of-state loans comprising approximately 27% of the CRE portfolio as of June 30, 2026, while maintaining the same credit discipline. This regional diversification is intended to increase opportunities across distinct economic centers while limiting exposure concentrations. As we diversify geographically, we remain committed to the same credit standards that have defined our lending philosophy over the past 18 years. The following charts show the Bank's CRE portfolio by asset class and geography as of June 30, 2026.

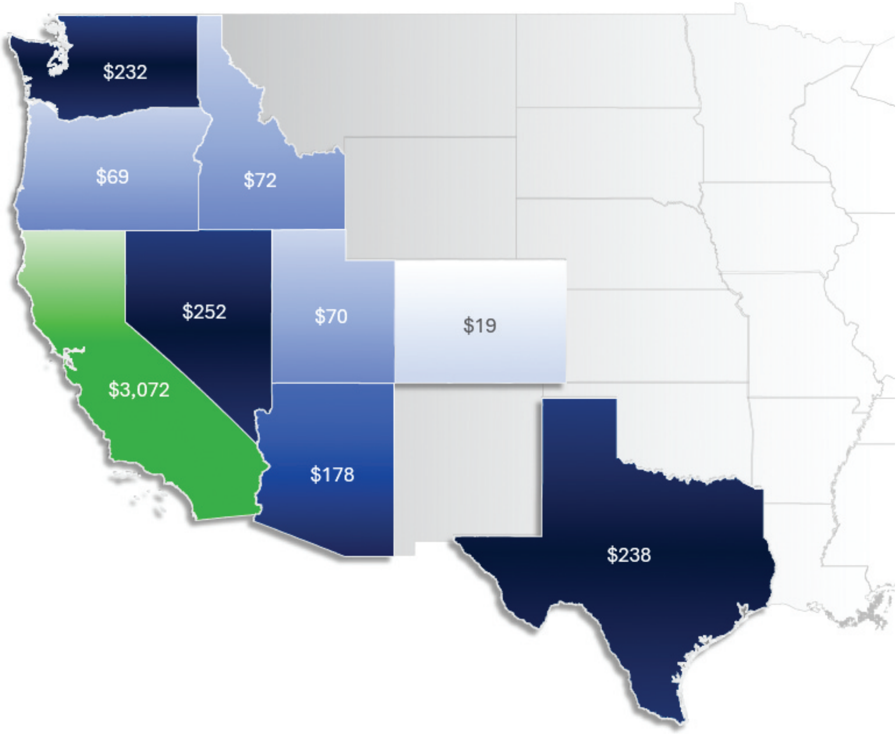
CRE by Asset Class
As of June 30, 2026



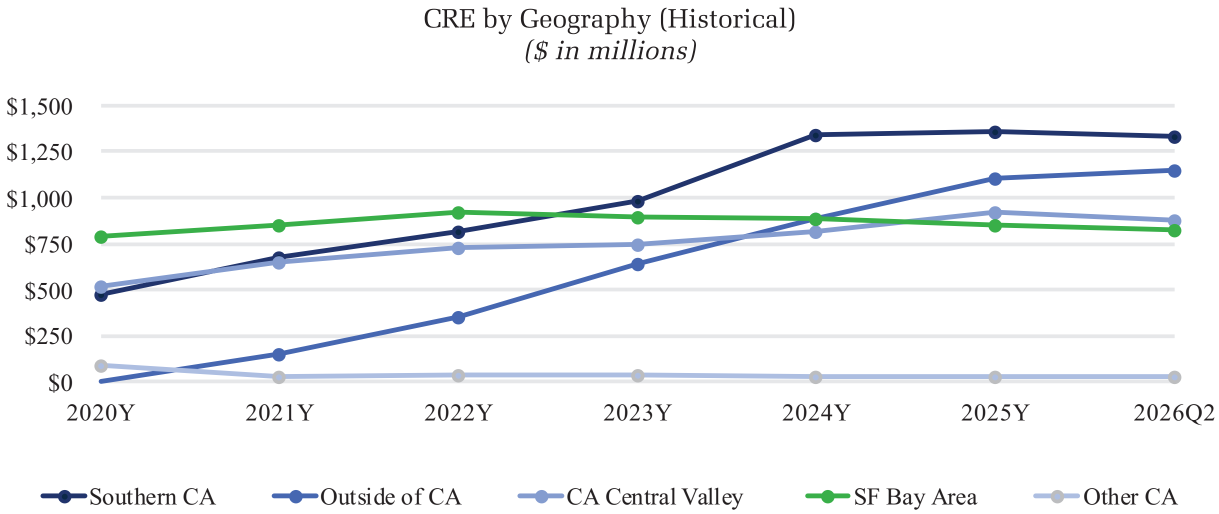
CRE by Geography
As of June 30, 2026



CRE by Geography (Western U.S.)
As of June 30, 2026; ($ in millions)



The following chart presents the Bank's CRE portfolio by significant geographic region, over the last five-and-a-half years.



Approximately 70% of new CRE lending originates through relationships with external mortgage bankers/loan brokers ("mortgage bankers"). We have cultivated long-standing, high-quality relationships with our mortgage banker network, emphasizing transparency, reliability, and efficient execution. The mortgage bankers are seasoned CRE professionals who source opportunities for the Bank that are consistent with our disciplined underwriting standards, working with the Bank's business development officers throughout the process. The Bank has business development officers located throughout California, as well as in Texas and Washington. We do not compensate the mortgage bankers because they represent the borrowers and their fees are paid by the borrower. Our business development officers are compensated under an incentive-based structure that emphasizes growth, long-term relationship building, and ongoing credit quality (*i.e.*, there are claw-back provisions if the Bank sustains a loan loss).

Although many loans are originally sourced through this mortgage banker network, the Bank spends a significant amount of time developing direct relationships with our borrowers. Before a new loan relationship commences, Bank executive management (typically our Chief Executive Officer) meets with the borrower as part of our due diligence process. The Bank takes an active role in diligence and onboarding, ensuring each transaction meets our stringent credit requirements. Our loan origination process provides a continuous flow of qualified loan opportunities while enabling us to maintain an efficient internal structure focused on underwriting and risk management. Each transaction follows a high-touch, tailored process designed to align credit structures with client needs and collateral profiles. All loans are evaluated and approved through a centralized process at the Bank. Our underwriting practices are designed to ensure prudent credit decisions and consistency in the assessment of borrower capacity, collateral coverage, and overall risk tolerance.

Compelling Operational Efficiency

Our emphasis on disciplined expense management, combined with a scalable infrastructure, allows us to generate revenue growth at a rate that consistently exceeds expense growth. This model provides significant operating leverage and supports premium profitability even in a low-margin environment. The result is a resilient earnings profile that enables us to bank larger and more sophisticated customers while preserving our focus on asset quality, prudent growth, and long-term shareholder value.

We pride ourselves on being the low-cost provider of financial services to our customers while delivering an exceptional experience for the client. We maintain an intense focus on our overhead costs to deliver superior financial returns while targeting the highest quality borrowers, which typically come with lower loan yields but higher credit quality. We maintain our low overhead by:

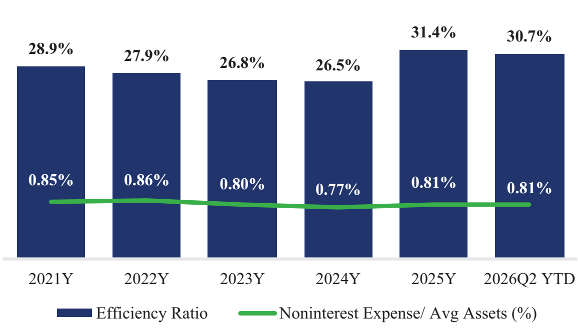
- Creating a culture where operating expenses are regularly scrutinized and employees are encouraged to find process improvements;
- Operating a branch-light, hybrid business model that emphasizes efficiency and scalability;
- Attracting, retaining, and developing high-performing talent;
- Leveraging a well-established mortgage banker network to source qualified CRE loan opportunities; and
- Maintaining a strategic focus on larger, higher-quality borrowers and depositors to achieve greater scale and operational efficiency.

Our disciplined approach to operating efficiency is complemented by rigorous assessment and recognition of our people's performance, putting them in roles which take advantage of their best skills, and continued investment in their personal development. We have built a team of highly skilled and experienced relationship bankers, credit professionals, finance, and operations specialists who combine relationship-based service with rigorous execution. We maintain a dedicated college campus recruiting program to identify and develop emerging talent and emphasize professional advancement and retention through training, mentorship, and internal promotion. This deliberate focus on human capital has produced a highly engaged and productive workforce, allowing us to operate efficient staffing levels without compromising client experience, risk management, or regulatory compliance.

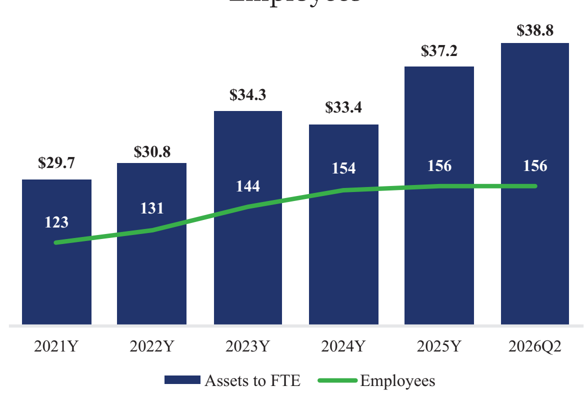
Additionally, our strategic investments in technology and operating infrastructure continue to enhance scalability and strengthen process efficiency. Our core systems support centralized credit administration, portfolio monitoring, and streamlined treasury and loan operations, providing the capacity to accommodate meaningful growth without proportional increases in expense. These investments have enabled us to expand our balance sheet and client base at above industry average, while maintaining tight control over operating costs. Our operating infrastructure and institutional capabilities allow us to serve larger and more sophisticated clients as the Bank grows. Having a low operating cost base allows us to offer highly competitive pricing to our clients and make investments in our infrastructure without significant cost concerns.

We believe this combination of cost efficiency, talent depth, and scalable infrastructure provides a durable competitive advantage. It enables us to generate strong, consistent financial returns for our shareholders despite a modest net interest margin, while maintaining our long-standing emphasis on credit quality and prudent growth (*i.e.*, producing strong risk-adjusted returns).

Efficiency Ratio (1) & Noninterest Expense / Avg. Assets



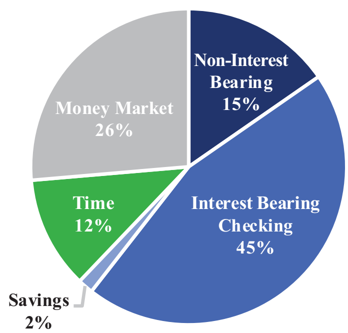
Assets to FTE ($ in millions) & Employees

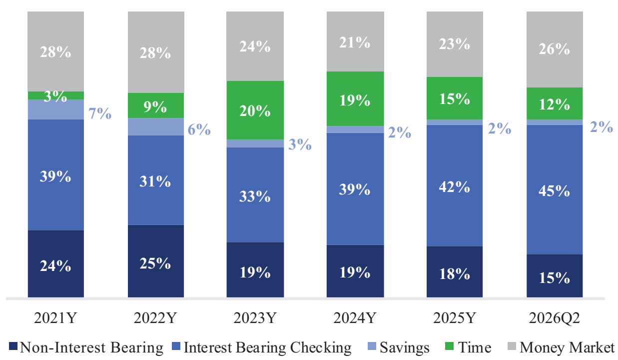


(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

Stable and Diversified Deposit Portfolio

We provide a full range of deposit products, including noninterest-bearing checking, interest-bearing checking, money market, savings, and time deposit accounts. Our deposit base reflects a diversified funding mix supported by long-standing client relationships with individuals, businesses and public entities. Over time, our composition has remained relatively balanced, with a gradual shift toward higher-yielding time deposits as clients seek greater returns in the current rate environment. This mix supports liquidity and margin management and underscores our disciplined approach to balance sheet management.



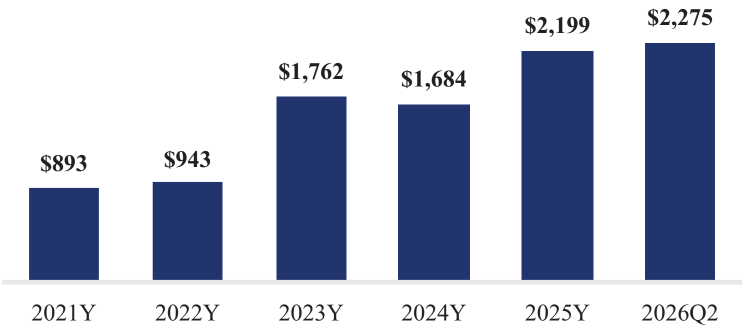


The Bank infrequently uses wholesale funding sources, such as borrowings from the Federal Home Loan Bank of San Francisco. Core deposit gathering, primarily from commercial customers, remains a strategic priority for the Bank. A significant number of our deposits are sourced from individuals and businesses located in California and are gathered through our premier bankers, commercial and industrial ("C&I") relationship managers and limited branch network, which enables us to serve clients efficiently while maintaining strong relationships. To support deposit growth, we maintain deposit-specific relationship officers who focus on originating and expanding core deposit relationships, and our team across departments is incentivized to attract and retain deposits. We also recently established a specialty deposits group focused on developing relationships in real estate adjacent industries, such as property management and IRS Section 1031 tax-free exchange accommodators to further diversify and expand our funding base.

A distinctive component of our deposit portfolio, primarily in California, consists of relationships with Community Choice Aggregator ("CCA") entities, which represent a significant portion of our overall deposits. CCAs were legislatively created in California in 2002 to allow cities, counties, and/or joint powers authorities to procure electricity generation on behalf of residents and businesses that operate within areas previously only served by investor-owned utilities. Electricity delivery, billing, and grid services remain with the investor-owned utilities, while electricity procurement is competitive between the CCAs and investor-owned utilities.

The Bank provided banking services to the first CCA created in California in 2010 and has grown the practice from that time on. Today, we maintain banking relationships with the majority of CCAs operating in California, supported by our deep understanding of the CCA sector and our ability to deliver tailored financial solutions. We provide a comprehensive suite of products designed to meet the unique needs of CCA clients. Through dedicated relationship management and consistent execution, River City Bank has become the preferred banking partner for California's CCA industry, a position that underscores our expertise in servicing large and complex institutional depositors and a leader in the Clean Energy sector.

Community Choice Aggregation Deposits
($ in millions)

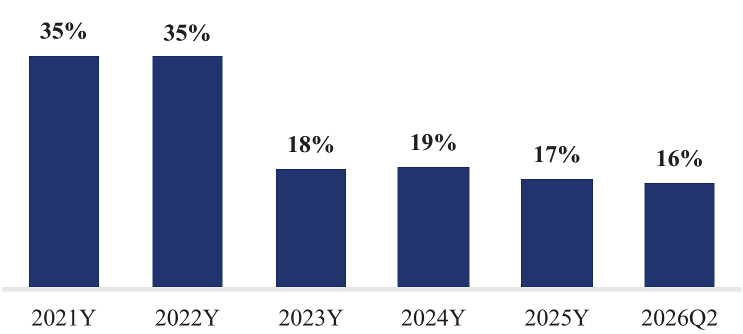


Recognizing the risks associated with funding concentrations, the Bank closely monitors the liquidity impact of the CCA deposits and takes additional risk management measures to mitigate these risks. As part of the Bank's focused liquidity risk management practices, the Bank performs CCA specific liquidity stress tests as well as maintaining an additional liquidity buffer to offset increased levels of concentration. The CCA specific liquidity stress tests are designed to ensure adequate funding capacity if there were to be a significant change to deposit balances of CCA customers. As of June 30, 2026, the Bank had total liquidity (consisting of cash and cash equivalents, unpledged available-for-sale investment securities, and unused and immediately available borrowing capacity) of $2.9 billion.

A large proportion of our deposits are insured through reciprocal deposit networks, which allow clients to obtain full Federal Deposit Insurance Corporation ("FDIC") insurance coverage while maintaining their primary banking relationship with the Bank. Although a portion of these reciprocal deposits are reported as "brokered" for regulatory purposes in our Call Reports, they represent core relationship clients who utilize reciprocal programs solely for expanded insurance coverage. These networks enhance deposit stability and help us manage concentration and liquidity risk while maintaining direct client relationships. We do not regularly maintain traditional brokered deposits from non-relationship or wholesale funding sources.

In addition, the Bank maintains a significant presence in public sector banking, which includes its relationships with CCAs. Under the California Government Code, the Bank is required to provide either full insurance coverage or collateralization of public deposits, which may include investment securities or standby letters of credit issued by the Federal Home Loan Bank of San Francisco. As a result, the ratio of uninsured deposits less collateralized deposits to total deposits remains low, at 16.1% as of June 30, 2026. As shown in the table below, following the 2023 banking crisis, many depositors sought to increase their use of fully FDIC-insured products, contributing to the Bank's strong level of insured and collateralized deposits.

Uninsured Deposits Less Collateralized Deposits /
Total Deposits

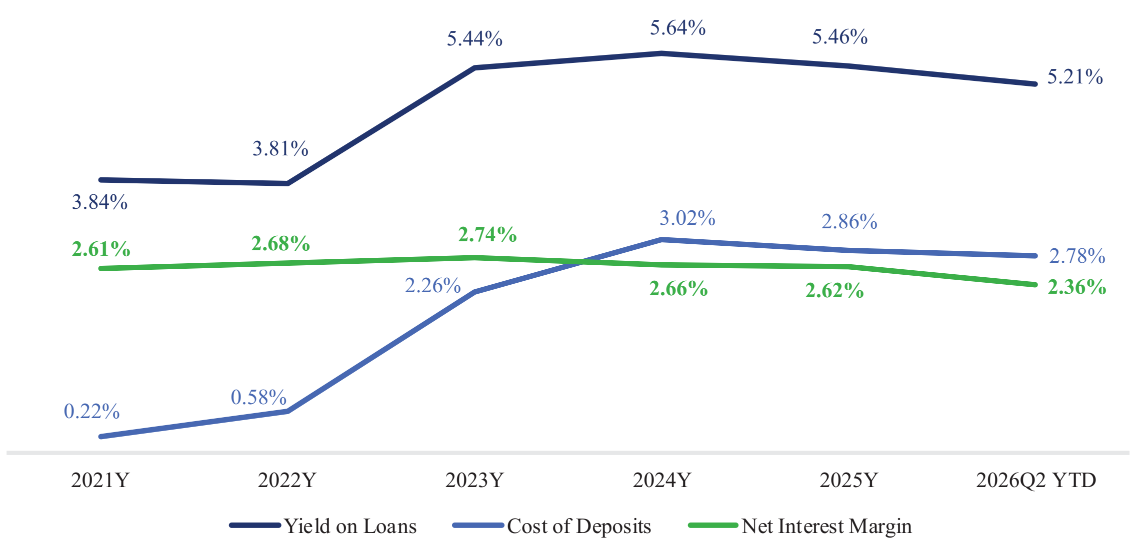


Strong Risk Management Practices and an Active Asset—Liability Management ("ALM") Strategy

We place significant emphasis on risk management as an integral component of our organizational culture without sacrificing growth. We believe our comprehensive risk management practices are designed to ensure we have sound policies and procedures to address risk (which include market, operational, liquidity, interest rate sensitivity, credit, insurance, regulatory, legal and reputational risk).

As a significant portion of our deposits are sensitive to changes in interest rates and the majority of our CRE loans are fixed for five to ten years, we actively manage interest rate risk through several approaches. We employ derivative instruments in the form of interest rate swaps to convert portions of our fixed-rate loan portfolio into floating-rate assets, aligning the interest rate sensitivity of our assets with that of our funding base, to maintain a relatively neutral interest rate risk profile. As of June 30, 2026, we have interest rate swaps in place with a notional balance of $2.52 billion, all entered into to mitigate interest rate risk. We also keep the effective duration of our investment portfolio relatively short, which was 1.17 years as of June 30, 2026. This disciplined approach to ALM allows us to maintain a stable net interest margin through varying rate environments, including the timeframe of 2022-2023 as the Federal Reserve's Federal Open Market Committee raised rates significantly over a relatively short amount of time. Importantly, the Bank has not engaged in "balance sheet re-positioning" to make up for poor interest rate risk decisions from the past. Ensuring interest rate risk is properly mitigated, combined with our focus on rigorous credit risk management and operating efficiency, has delivered consistent returns to shareholders through various interest rate cycles.

Yields and Costs Over Time

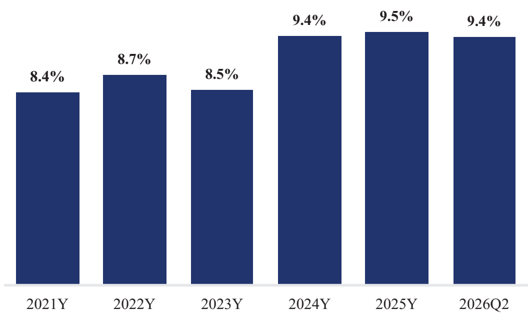


Solid Capital Position

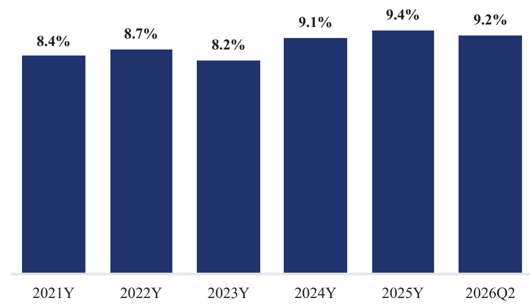
Notwithstanding our rapid growth, the Bank has consistently maintained strong capital levels via solid earnings, a modest dividend, and disciplined balance-sheet management. Our capital base has been built primarily through organic earnings retention, enabling us to sustain growth and reinvest in our business without the need for external capital raises. We have historically generated sufficient internal capital to fund asset growth, support dividend payments, repurchase Bank stock at advantageous times, and maintain ratios well above the regulatory thresholds for a "well-capitalized" institution. Our capital strength is further reinforced by minimal realized and unrealized losses on our securities portfolio, reflecting our conservative investment philosophy and short-duration positioning, which limits exposure to market-driven valuation volatility.

We recognize that our business model includes a high concentration of CRE loans, and we manage this exposure within a robust capital and risk-management framework. We employ stringent credit underwriting standards and perform comprehensive stress testing of our capital adequacy each quarter under a range of adverse economic and property-value scenarios. These analyses evaluate the sensitivity of our capital position to potential declines in collateral values, shifts in LTV ratios, and higher vacancy or capitalization rates. The results consistently demonstrate our ability to absorb severe stress assumptions while maintaining capital comfortably above regulatory requirements.

TCE Ratio (1)

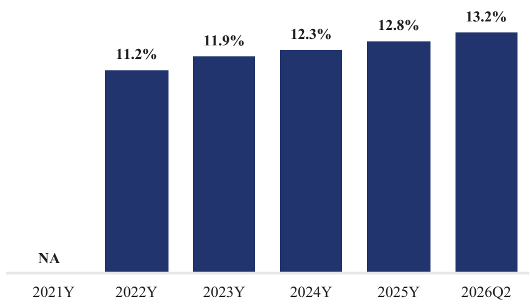


Tier 1 Leverage Ratio

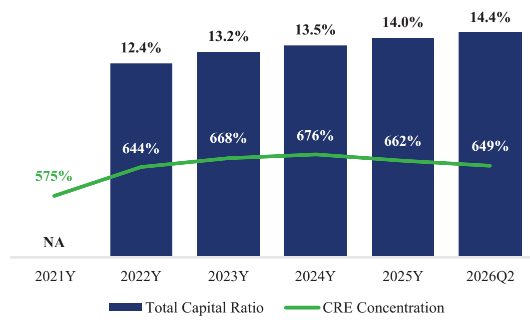


(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

Tier 1 Ratio
(Followed Community Bank Leverage Ratio framework in 2021)



Total Risk Based Capital Ratio & CRE Concentration
(Followed Community Bank Leverage Ratio framework in 2021)



Significant Markets

Our headquarters and operations are based in Sacramento, California, a market that we believe offers an attractive cost of living, access to skilled professionals, and proximity to major universities, which provide a steady pipeline of talent. While we maintain our physical presence in Sacramento, our customers are primarily located across the California Central Valley, the San Francisco Bay Area, and Southern California; three of the most economically dynamic regions in the country. These markets benefit from strong population growth and varied industries. In recent years, we have diversified our loan portfolio beyond California, expanding relationships with high-quality borrowers in new markets throughout the Western United States while maintaining our disciplined credit standards.

California

California is one of the world's most robust economies, boasting a GDP of $4.3 trillion as of December 2025, ranking as the largest economy in the United States and fifth largest in the world if it were its own country, ahead of India, France, and the United Kingdom. California is home to nearly 40 million individuals, serving as a world-leading hub for the technology, entertainment, agriculture, and real estate industries. As the United States' largest economy, the California banking market covers ample deposit and lending opportunities in which we believe we are deeply ingrained.

Sacramento and the Central Valley

Sacramento, the state capital of California, serves as both our headquarters and part of our primary market. As the largest community bank by market share in the Sacramento MSA, we are deeply integrated into the region's business, non-profit/charitable, and professional landscape. The Sacramento MSA benefits from a diverse economy anchored by government, healthcare, real estate, and agribusiness, providing a stable foundation for commercial and consumer banking activity. Greater Sacramento's population has grown to nearly 2.5 million, with median household income of $98,775, above the national median of $81,600. Nearly 90% of residents hold a high school degree or higher. Deposit growth in this market continues to be supported by long-standing relationships with regional businesses and professional clients, while lending demand remains strong. Our locally based decision-making and direct access to senior leadership remain central to our competitive positioning within this market.

California's Central Valley, positioned between the Sierra Nevada mountains and Pacific Coast, is one of the most fertile farming areas in the world. The Central Valley is home to nearly 5.0 million individuals (excluding Sacramento County) and over 250 types of crops. The Central Valley provides more than 40% of the fruits, vegetables, and nuts grown in the United States, establishing the region as an agricultural hub. The Central Valley comprises 1% of U.S. farmland while supplying over 8% of U.S. agriculture output by value and a quarter of the nation's food, per USGS. The economic power and importance of the region drives ample lending opportunities, creating an attractive marketplace for community banks to participate in and compete for relationships.

San Francisco Bay Area

The San Francisco Bay Area, including Silicon Valley, is one of the strongest economies and most sophisticated markets in the United States. As the home to over 40 Fortune 500 companies, the San Francisco Bay Area supports a diverse economy that is centered around technology, sciences, capital, and international trade. The region's businesses and individuals drive demand for both lending and deposit services, creating a competitive and dynamic marketplace. The San Francisco Bay Area's population is approximately 7.7 million while median household income is approximately $136,000, over 50% higher than the national median. The San Francisco Bay Area is home to two of the most highly ranked universities in the world, Stanford University and the University of California at Berkeley. This concentration of innovation, capital, higher education, and global connectivity makes the San Francisco Bay Area one of the most financially active and competitive banking markets in the United States.

Southern California

Southern California represents a very large and key growth market that complements our established Northern California footprint. We have developed a growing base of commercial and real estate clients across Los Angeles, Orange, Riverside, and San Diego counties, supported by our responsiveness to client needs and credit expertise. We began our Southern California lending efforts in 2015, with the region's scale, industry diversification, and concentration of privately held businesses driving it to become our largest lending area at present. Southern California is home to the three largest counties by population in California, with Los Angeles, San Diego, and Orange counties combining for over 16.2 million people. The three counties held a median household income of nearly $100,000. Southern California handles over 30% of all U.S. waterborne trade, anchored by the Ports of Los Angeles and Long Beach, the busiest port complex in the nation and among the ten largest globally. This concentration of trade activity continues to drive economic expansion across the region, which has outpaced growth in the San Francisco Bay Area by nearly double. In addition to its role in global trade, Southern California benefits from a highly diversified economic base, including defense, aerospace, entertainment and media, technology, healthcare, and professional services, which helps mitigate exposure to trade-related volatility.

Other Western Lending Markets

Beyond California, we actively lend in select western states that share comparable market dynamics and credit profiles to our California lending regions. Since 2021, we have been successful in CRE lending in the greater Seattle, Portland, Las Vegas, and Phoenix markets, as well as throughout the state of Texas. Similar to how the Bank has operated in California, our lending strategy outside California emphasizes diversification and prudent credit selection, focusing on borrowers with strong financial capacity and CRE assets located in well-performing submarkets. We have negligible exposure to the office sector in urban core areas in major west coast cities (*i.e.*, San Francisco, Los Angeles, Seattle, and Portland); the majority of our office loans are in suburban or non-downtown urban areas. We maintain centralized credit administration, underwriting, and approval authorities to ensure consistency in credit quality, risk assessment, and portfolio management across all geographies. This expanded geographic reach allows us to balance concentration risk within our California portfolio while leveraging long-standing client and mortgage banker/broker relationships that extend beyond California.

Corporate Information

As a California chartered bank, we are subject to primary supervision, examination, and regulation by the California Department of Financial Protection and Innovation ("DFPI") and by the FDIC, our primary federal regulator.

Our principal executive offices are located at River City Bank, 2480 Natomas Park Drive, Suite 150, Sacramento, California and our telephone number at that address is (916) 567-2600. Additional information can be found on our website: www.rivercitybank.com. The information contained on our website is not part of or incorporated by reference into this offering circular.

The Offering

Common stock offered by the Bank	0 (zero) shares.
Common stock offered by the Selling Shareholders	2,700,000 shares. The selling shareholders are the Shawn L. Devlin Revocable Trust (the "Devlin Trust") and the Jon S. Kelly Marital Trust II (the "Marital Trust"). See the section entitled "*Principal and Selling Shareholders*." The Devlin Trust and the Marital Trust are referred to collectively as the "Selling Shareholders" throughout this offering circular.
Common stock outstanding	14,199,704 shares.
Common stock outstanding after completion of this offering	14,199,704 shares.
Use of proceeds	The Selling Shareholders are selling all the shares of common stock in this offering and the Bank will not receive any proceeds from the sale of shares of our common stock by the Selling Shareholders.
Dividends	We have paid quarterly cash dividends to our shareholders every quarter since 2006. Any future determination to pay dividends to holders of our common stock will depend on our results of operations, financial condition, capital requirements, banking regulations, contractual restrictions and any other factors that our Board of Directors may deem relevant. See the section entitled "*Dividend Policy,*" beginning on page 53.
Listing	Our common stock has been approved for listing on the NASDAQ Capital Market under the trading symbol "RCBC."
Directed Share Program	At our request, the underwriters have reserved up to 10% of the shares of common stock offered by this offering circular for sale, at the initial public offering price, to our directors, officers, shareholders, employees, business associates and related persons who have expressed an interest in purchasing our common stock in this offering. We will offer these shares to the extent permitted under applicable regulations in the United States through a directed share program. The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase the reserved shares. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock offered by this offering circular. See the section entitled "*Underwriting—Directed Share Program.*"
Risk Factors	Investing in shares of our common stock involves a high degree of risk. See section entitled "*Risk Factors*," beginning on page 26, for a discussion of certain factors you should consider carefully before deciding to invest in our common stock.

Unless otherwise indicated, all information in this offering circular relating to the number of shares of common stock to be outstanding immediately after the completion of this offering is based on 14,199,704 shares outstanding as of June 30, 2026. All share data has been restated to retroactively reflect the 10-for-1 stock split completed on December 16, 2025. Such amount includes shares issued as unvested restricted awards issued under our Amended and Restated 2009 Restricted Stock Plan. The information in this offering circular does not attribute to any director, officer, shareholder or related person any purchases of shares of our common stock in this offering, including through the directed share program described in the section entitled "*Underwriting—Directed Share Program*."

SUMMARY HISTORICAL CONSOLIDATED FINANCIAL AND OPERATING INFORMATION

The following table sets forth summary historical consolidated financial data as of the dates and for the periods shown. The summary balance sheet data as of December 31, 2025 and 2024 and the summary income statement data for the years ended December 31, 2025 and 2024 have been derived from our audited consolidated financial statements included elsewhere in this offering circular. The summary balance sheet data as of December 31, 2023, 2022 and 2021 and the summary income statement data for the years ended December 31, 2023, 2022 and 2021 have been derived from our audited consolidated financial statements that are not included in this offering circular. The summary balance sheet data as of June 30, 2026 and 2025 and the summary income statement data for the six months ended June 30, 2026 and 2025 are derived from our unaudited interim consolidated financial statements.

You should read the following financial data in conjunction with the other information contained in this offering circular, including under the section entitled "*Management's Discussion and Analysis of Financial Condition and Results of Operations*" and in the financial statements and related notes included elsewhere in this offering circular. Some of the financial measures presented in the following tables are non-GAAP financial measures. Please see the section entitled "*Non-GAAP Financial Measures"* for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

	Six Months Ended June 30,		Year Ended December 31,				
	2026	2025	2025	2024	2023	2022	2021
	(dollars in thousands, except per share data)						
Income Statement Data:							
Net interest income	$ 70,552	$ 66,725	$ 142,504	$ 136,687	$ 120,863	$ 101,719	$ 90,221
Provision for credit losses—loans	3,990	(744)	1,640	6,109	12,000	18,405	10,500
Provision for credit losses—unfunded commitments	(960)	620	345	1,430	585	—	—
Noninterest income	8,768	(5,919)	(949)	14,598	12,875	16,838	13,082
Noninterest expense	24,381	21,922	44,479	40,091	35,898	33,032	29,867
Income before income taxes	51,909	39,008	95,091	103,655	85,255	67,120	62,936
Income tax expense	14,347	11,291	26,676	30,256	24,918	19,297	18,461
Net income	$ 37,562	$ 27,717	$ 68,415	$ 73,399	$ 60,337	$ 47,823	$ 44,475
Core pre-provision, pre-tax income (1)	$ 50,032	$ 49,329	$ 107,231	$ 109,873	$ 97,949	$ 77,147	$ 68,608
Share Data:							
Earnings per common share, basic & diluted (2)	$ 2.60	$ 1.89	$ 4.69	$ 4.99	$ 4.05	$ 3.22	$ 3.01
Book value per share	$ 40.58	$ 35.61	$ 38.43	$ 33.65	$ 28.75	$ 24.13	$ 21.23
Tangible book value per share (1)	$ 40.58	$ 35.61	$ 38.43	$ 33.65	$ 28.75	$ 24.13	$ 21.23
Shares of common stock outstanding	13,994,875	14,322,040	14,272,790	14,403,700	14,528,070	14,627,660	14,527,110
Balance Sheet Data:							
Gross loans	4,678,130	4,351,223	4,628,103	4,274,257	3,686,365	3,239,047	2,735,197
Allowance for credit losses—loans	107,826	101,415	103,799	102,163	96,051	84,013	64,995
Total assets	6,042,514	5,322,651	5,801,890	5,143,528	4,932,029	4,041,345	3,656,715
Deposits	5,374,670	4,521,132	5,148,329	4,454,529	4,320,677	3,442,317	3,326,026
Total liabilities	5,474,633	4,812,633	5,253,399	4,658,788	4,514,299	3,688,331	3,348,360
Shareholders' Equity	567,881	510,018	548,491	484,740	417,730	353,014	308,355
Performance Ratios:							
Return on average assets	1.25%	1.05%	1.25%	1.42%	1.36%	1.26%	1.27%
Return on average shareholders' equity	13.50%	11.19%	13.31%	16.34%	15.66%	14.56%	15.25%
Yield on loans	5.21%	5.42%	5.46%	5.64%	5.44%	3.81%	3.84%

	Six Months Ended June 30,		Year Ended December 31,				
	2026	2025	2025	2024	2023	2022	2021
	(dollars in thousands, except per share data)						
Cost of deposits	2.78%	2.94%	2.86%	3.02%	2.26%	0.58%	0.22%
Net interest margin (TE)	2.36%	2.54%	2.62%	2.66%	2.74%	2.68%	2.61%
Efficiency ratio (1)	30.74%	36.05%	31.42%	26.50%	26.84%	27.86%	28.91%
Asset Quality Data (at period end)							
Net recoveries to average loans	0.00%	0.00%	0.00%	0.00%	0.00%	0.02%	0.01%
Nonperforming assets to total assets	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
ACL-loans to nonperforming loans	NM	NM	NM	NM	NM	NM	NM
ACL-loans to total loans	2.30%	2.33%	2.24%	2.39%	2.61%	2.59%	2.38%
Balance Sheet and Capital Ratios:							
Loan to deposit	86.86%	96.04%	89.70%	95.74%	85.13%	93.88%	82.02%
Tangible common equity to tangible assets (1)	9.40%	9.58%	9.45%	9.42%	8.47%	8.74%	8.43%
Leverage Ratio	9.22%	9.42%	9.40%	9.12%	8.23%	8.68%	8.41%
Tier 1 risk-based capital ratio	13.18%	12.45%	12.75%	12.25%	11.90%	11.15%	NA
Total risk-based capital ratio	14.44%	13.71%	14.02%	13.52%	13.17%	12.42%	NA

(1) Considered a non-GAAP financial measure. See the section titled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP measures to the most directly comparable GAAP financial measure.

(2) The number of basic and diluted shares are the same because there are no potentially dilutive instruments.

NON-GAAP FINANCIAL MEASURES

Some of the financial measures presented in this offering circular, including in our selected historical consolidated financial data, are non-GAAP financial measures. We classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP in our statements of income, balance sheets, or statements of cash flows.

TCE ratio (tangible shareholders' equity to tangible assets), tangible book value per share, and efficiency ratio are non-GAAP financial measures. We define "TCE ratio" as total shareholders' equity less intangible assets plus convertible preferred equity divided by total assets less intangible assets. The most comparable GAAP financial measure is total shareholders' equity to total assets. We define "tangible book value per share" as book value per share less intangible assets plus convertible preferred equity, divided by the outstanding number of common shares plus convertible preferred shares at the end of each period. The most directly comparable GAAP financial measure is book value per share. We have no intangible assets as of any of the dates indicated and only had preferred equity as of December 31, 2016. As a result, tangible book value per share is the same as book value per share as of each of the dates indicated, except as of December 31, 2016. We define "efficiency ratio" as noninterest expense less OREO operations and amortization of intangible assets divided by the sum of net interest income and noninterest income. The most comparable GAAP financial measure is unadjusted efficiency ratio, which uses total noninterest expense as reported. We had no OREO operations or amortization of intangible assets as of any of the dates indicated. As a result, efficiency ratio is the same as unadjusted efficiency ratio as of each of the dates indicated. We define "core pre-provision, pre-tax income" as net income plus the sum of provision for income tax expense, provision for loan losses, and provision for credit losses (unfunded commitments) less net changes in the fair value of derivatives. The most comparable GAAP financial measure is net income.

We believe that these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations, and cash flows computed in accordance with GAAP. However, we acknowledge that our non-GAAP financial measures have limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other banking companies use. Other banking companies may use names similar to those we use for the non-GAAP financial measures we disclose, but may calculate them differently. You should understand how we and other companies each calculate their non-GAAP financial measures when making comparisons.

The following reconciliation table provides a more detailed analysis of these non-GAAP financial measures along with their most directly comparable financial measures calculated in accordance with GAAP.

Non-GAAP Tangible Book Value per Share Reconciliation

(dollars in thousands, except per share data)	Year Ended December 31, 2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Shareholders' Common Equity	$ 160,872	$ 184,894	$ 208,676	$ 236,638	$ 269,478	$ 308,355	$ 353,014	$ 417,730	$ 484,740	$ 548,491
Convertible Preferred Equity	$ 9,740	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Less: Intangible Assets	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Tangible Common Equity	$ 170,612	$ 184,894	$ 208,676	$ 236,638	$ 269,478	$ 308,355	$ 353,014	$ 417,730	$ 484,740	$ 548,491
Common Shares Outstanding	12,289,130	14,206,360	14,291,950	14,376,100	14,453,500	14,527,110	14,627,660	14,528,070	14,403,700	14,272,790
Common Shares Underlying the Preferred Shares	1,834,390	0	0	0	0	0	0	0	0	0
Common Shares Outstanding Upon Conversion	14,123,520	14,206,360	14,291,950	14,376,100	14,453,500	14,527,110	14,627,660	14,528,070	14,403,700	14,272,790
Tangible Book Value per Share (Adjusted)	**$ 12.08**	**$ 13.02**	**$ 14.60**	**$ 16.46**	**$ 18.64**	**$ 21.23**	**$ 24.13**	**$ 28.75**	**$ 33.65**	**$ 38.43**
Book Value per Share (GAAP)	***$ 13.09***	***$ 13.02***	***$ 14.60***	***$ 16.46***	***$ 18.64***	***$ 21.23***	***$ 24.13***	***$ 28.75***	***$ 33.65***	***$ 38.43***

(dollars in thousands, except per share data)	Six Months Ended June 30, 2025	2026
Total Shareholders' Common Equity	$ 510,018	$ 567,881
Convertible Preferred Equity	$ 0	$ 0
Less: Intangible Assets	$ 0	$ 0
Tangible Common Equity	$ 510,018	$ 567,881
Common Shares Outstanding	14,322,040	13,994,875
Common Shares Underlying the Preferred Shares	0	0
Common Shares Outstanding Upon Conversion	14,322,040	13,994,875
Tangible Book Value per Share (Adjusted)	**$ 35.61**	**$ 40.58**
Book Value per Share (GAAP)	***$ 35.61***	***$ 40.58***

Non-GAAP Tangible Common Equity Ratio Reconciliation

(dollars in thousands, except per share data)	Year Ended December 31, 2021	2022	2023	2024	2025	Six Months Ended June 30, 2025	2026
Total Shareholders' Common Equity	$ 308,355	$ 353,014	$ 417,730	$ 484,740	$ 548,491	$ 510,018	$ 567,881
Convertible Preferred Equity	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Less: Intangible Assets	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Tangible Common Equity	$ 308,355	$ 353,014	$ 417,730	$ 484,740	$ 548,491	$ 510,018	$ 567,881
Total Assets	$3,656,715	$4,041,345	$4,932,029	$5,143,528	$5,801,890	$5,322,651	$6,042,514
Less: Intangible Assets	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Tangible Assets	$3,656,715	$4,041,345	$4,932,029	$5,143,528	$5,801,890	$5,322,651	$6,042,514
Tangible Common Equity Ratio (Adjusted)	**8.4%**	**8.7%**	**8.5%**	**9.4%**	**9.5%**	**9.6%**	**9.4%**
Total Shareholders' Equity Ratio	***8.4%***	***8.7%***	***8.5%***	***9.4%***	***9.5%***	***9.6%***	***9.4%***

Non-GAAP Efficiency Ratio Reconciliation

(dollars in thousands)	Year Ended December 31, 2021	2022	2023	2024	2025	Six Months Ended June 30, 2025	2026
Total Noninterest Expense	$ 29,867	$ 33,032	$ 35,898	$ 40,091	$ 44,479	$21,922	$24,381
Less: Foreclosure & Repo	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Less: Amortization of Intangibles	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0	$ 0
Noninterest Expense, Adjusted	$ 29,867	$ 33,032	$ 35,898	$ 40,091	$ 44,479	$21,922	$24,381
Net Interest Income	$ 90,221	$101,719	$120,863	$136,687	$142,504	$66,725	$70,552
Plus: Total Noninterest Income	$ 13,082	$ 16,838	$ 12,875	$ 14,598	$ (949)	$ (5,919)	$ 8,768
Total Revenue	$103,303	$118,557	$133,738	$151,285	$141,555	$60,806	$79,320
Efficiency Ratio	**28.9%**	**27.9%**	**26.8%**	**26.5%**	**31.4%**	**36.1%**	**30.7%**
Efficiency Ratio (GAAP)	***28.9%***	***27.9%***	***26.8%***	***26.5%***	***31.4%***	***36.1%***	***30.7%***

Non-GAAP Core Pre-Provision, Pre-Tax Income

(dollars in thousands)	For the Twelve Months Ended 2021	2022	2023	2024	2025	Six Months Ended June 30, 2025	2026
Net Income	$44,475	$47,823	$60,337	$ 73,399	$ 68,415	$ 27,717	$37,562
Plus: Provision for Income Taxes	$18,461	$19,297	$24,918	$ 30,256	$ 26,676	$ 11,291	$14,347
Plus: Provision for Credit Losses–Loans	$10,500	$18,405	$12,000	$ 6,109	$ 1,640	$ (744)	$ 3,990
Plus: Provision for Credit Losses–Unfunded Commit.	$ 0	$ 0	$ 585	$ 1,430	$ 345	$ 620	$ (960)
Less: Net Changes in the Fair Value of Derivatives	$ 4,828	$ 8,378	$ (109)	$ 1,321	$ (10,155)	$(10,445)	$ 4,907
Core Pre -Provision, Pre -Tax Income	**$68,608**	**$77,147**	**$97,949**	**$109,873**	**$107,231**	**$ 49,329**	**$50,032**
Net Income (GAAP)	***$44,475***	***$47,823***	***$60,337***	***$ 73,399***	***$ 68,415***	***$ 27,717***	***$37,562***

SUMMARY OF RISK FACTORS

This offering involves various risks, and the following is a summary of some of these risks. You should carefully read and consider the matters discussed in the section entitled "*Risk Factors*" for a more thorough description of these and other risks.

- We may suffer losses in our loan portfolio;
- We may not successfully manage our credit risk and the sufficiency of our allowance for credit losses;
- Our focus on lending to small to medium-sized businesses and CRE investors may increase our credit risk;
- A significant portion of our loan portfolio is comprised of CRE loans, creating exposure to negative developments in CRE markets in our market areas;
- The performance of our loan portfolio may be impacted by real estate values, liquidity in our primary market areas and the financial health of our borrowers and other factors;
- We may be affected by business and economic conditions, particularly those affecting the financial services industry and our primary market areas;
- We may be unable to maintain our historical levels of growth;
- We have a geographic concentration of loans in California;
- We rely on independent mortgage banking firms and brokers to source a significant portion of our loans;
- We have a concentration of loans and deposits among a relatively small number of customers, particularly our concentration of deposits from CCA entities;
- We face risks related to our interest rate hedging activities, including potential defaults by our counterparties and mark-to-market fluctuations;
- We compete with other financial institutions, credit unions, and non-bank financial services companies, many of which are subject to different regulations and taxation than we are;
- We face risks related to interest rate fluctuations, which could have an adverse effect on our profitability;
- We face risks related to potential liquidity issues, including fluctuations in the fair value and liquidity of the securities and loans we hold and our ability to raise additional capital, if necessary;
- We may face disruption, security breaches, or other adverse events affecting us or the third-party vendors who perform several of our critical processing functions;
- We must keep pace with the rate of technological advances and invest in new technologies;
- Our ability to effectively execute our strategic plan and manage our growth;
- External economic and/or market factors, such as changes in monetary and fiscal policies and laws, including the interest rate policies of the Board of Governors of the Federal Reserve System (the "Federal Reserve"), inflation or deflation, changes in the demand for loans, and fluctuations in consumer spending, borrowing and savings habits, which may have an adverse impact on our financial condition;
- We may face challenges arising from unsuccessful attempts to expand into new geographic markets, products, or services;
- There are restraints on our ability to pay dividends;
- We need to meet capital requirements imposed by banking regulators, which may require us to raise capital at a time when capital is not available on favorable terms or at all;

- We could experience a failure or weakness in the internal controls we have implemented to address the risks inherent to the business of banking;
- Our estimates and assumptions about future events may be inaccurate, which could result in material differences between our financial projections and actual financial performance;
- Our directors, executive officers and greater than 10% shareholders will have the ability to influence significant corporate activities after the completion of this offering and their interests may not coincide with yours;
- Changes in our management personnel or our inability to retain, motivate, and hire qualified management personnel;
- We will face incremental costs and obligations associated with operating as a public company;
- The impact of any claims or legal actions to which we may be subject, including any effect on our reputation;
- Compliance with governmental and regulatory requirements, including the Dodd-Frank Act and others relating to banking, consumer protection, securities and tax matters, and our ability to maintain licenses required in connection with commercial mortgage origination, sale and servicing operations;
- Changes in federal tax law or policy may adversely affect us; and
- We face risks related to this offering.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this offering circular. Because of these risks and other uncertainties, our actual future results, performance or achievement, or industry results, may be materially different from the results indicated by the forward-looking statements in this offering circular. In addition, our past results of operations are not necessarily indicative of our future results. You should not rely on any forward-looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise

RISK FACTORS

An investment in our common stock involves a high degree of risk. Our business is subject to certain risks, including those described below. The following discussion addresses the most significant risks that could affect our business, financial condition, liquidity, results of operations, and capital position. If any of the events described in the following risk factors actually occurs, then our business, results of operations and financial condition could be materially adversely affected. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs, our business, financial condition and results of operations may be materially and adversely affected. In that event, the market price for our common stock would likely decline. More detailed information concerning these risks is contained in other sections of this offering circular, including in the sections entitled "*Business*" and "*Management's Discussion and Analysis of Financial Condition and Results of Operations*." Further, to the extent that any of the information contained in this offering circular constitutes forward-looking statements, the risk factors below also are cautionary statements identifying important factors that could cause actual results to differ materially from those expressed in any forward-looking statements made by us or on our behalf. See the section entitled "*Cautionary Note Regarding Forward-Looking Statements*."

Risks Related to the Banking Business and Our Strategy

We may suffer losses in our loan portfolio.

Loan defaults and losses on the loans we make are an inherent risk of the banking business. As a lender, we are exposed to the risk that our borrowers will not repay their loans according to their terms, and that the collateral securing repayment of their loans, if any, may not be sufficient to ensure repayment. In addition, there are risks inherent in making any loan, including risks with respect to the period over which the loan may be repaid, risks relating to proper loan underwriting, risks resulting from changes in economic and industry conditions and risks inherent in dealing with individual borrowers. Although we believe that our underwriting criteria are, and historically have been, appropriate for the various kinds of loans we make, we may experience higher than expected losses depending on economic factors and our borrowers' behavior. The risks of loan losses are exacerbated by adverse changes in economic, operating and other conditions, which are beyond our control, and may cause our actual loan losses to exceed our current allowance estimates.

We may be required to increase our allowance for credit losses, which would adversely affect our future operating results.

We maintain an allowance for credit losses to provide a reserve for expected loan losses. There is no precise method of predicting expected credit losses. We regularly evaluate and conduct an analysis to determine the estimated expected losses inherent in our loan and securities portfolios and the adequacy of our allowance for credit losses. This evaluation requires us to make estimates and judgments regarding the financial condition and creditworthiness of most of our borrowers, the creditworthiness of the issuers of our securities, the value and sufficiency of the collateral securing our loans, economic conditions and other factors, all of which are difficult to assess and may change over time.

On January 1, 2023, in accordance with GAAP, we adopted a new accounting standard for establishing allowances for loan and lease losses referred to as the Current Expected Credit Losses ("CECL"). CECL replaced the legacy approach under GAAP, which generally considered only past events and current conditions, with a forward-looking methodology that reflected the expected credit losses over the lives of financial assets, starting when such assets were first originated or acquired. The CECL standard requires us to record, at the time of origination, credit losses expected throughout the life of the loan portfolio and held-to-maturity securities rather than recording losses only when it is probable that a loss event has occurred. The CECL standard may create more volatility in the level of allowance for credit losses. If we are required to materially adjust the level of our allowance for credit losses for any reason, such an adjustment could have an adverse effect on our business, financial condition, and results of operations.

If our estimates or judgments prove to be incorrect due to circumstances outside our control, the ineffectiveness of our credit administration or for other reasons, if the assumptions and inputs underlying our CECL model change, or if the Bank's regulators come to a different conclusion regarding the adequacy of our allowance for credit losses, we could be required to increase the provisions we make for credit losses, which could reduce our income or could cause us to incur operating losses in the future. Moreover, additions to the allowance may be necessary based on changes in economic and real estate market conditions, new information regarding existing loans or the issuers of securities, identification of additional problem loans and other factors, or unanticipated credit losses resulting from other circumstances, both within and outside of our control. These additions may require increased provision expense, which could negatively impact our results of operations.

Our focus on lending to small to medium-sized businesses and CRE investors may increase our credit risk.

As of June 30, 2026, virtually all of our commercial business and CRE loans are made to small- to medium-sized businesses and CRE investors. These businesses and investors generally have less diverse operations and fewer financial resources in terms of capital or borrowing capacity than larger entities, and may have a heightened vulnerability to economic conditions and greater customer concentration risk. If general economic conditions in the markets in which we operate negatively impact this customer segment, our results of operations and financial condition and the value of our common stock may be adversely affected. Moreover, a portion of these loans have been made by us in recent years and the borrowers may not have experienced a complete business or economic cycle. The deterioration of our borrowers' businesses may hinder their ability to repay their loans with us, which could have a material adverse effect on our financial condition and results of operations.

Our business concentration in California imposes risks resulting from any regional or local economic downturn affecting California.

We are headquartered in Sacramento, California and conduct our banking operations primarily in California. As a result, a significant majority of the loans in our loan portfolios as of June 30, 2026 were secured by properties and collateral located in California. As of such date, approximately 75% of the loans in our loan portfolio are secured by assets located in California. This geographic concentration imposes risks from lack of geographic diversification, as adverse economic developments in California, among other things, could affect the volume of loan originations, increase the level of nonperforming assets, increase the rate of foreclosure losses on loans and reduce the value of our loans. Any regional or local economic downturn that affects California or existing or prospective borrowers or property values in such areas may affect us and our profitability more significantly and more adversely than our competitors whose operations are less geographically concentrated.

Because a significant portion of our loan portfolio is comprised of real estate loans and loans secured by real estate, negative changes in the economy affecting real estate values and liquidity could impair the value of collateral securing our real estate loans and result in loan and other losses.

As of June 30, 2026, approximately 95% of our loan portfolio was comprised of CRE and other loans with real estate as a primary or secondary component of collateral. This includes collateral consisting of income producing and residential construction properties, which tend to be more sensitive to general economic conditions and downturns in real estate markets. As a result, adverse developments affecting real estate values in our market areas could increase the credit risk associated with our real estate loan portfolio. The market value of real estate can fluctuate significantly in a short period of time as a result of market conditions in the area in which the real estate is located. Adverse changes affecting real estate values and the liquidity of real estate in our markets could increase the credit risk associated with our loan portfolio and could result in losses that would adversely affect credit quality, financial condition, and results of operation. Negative changes in the economy affecting real estate values and liquidity in our market areas could significantly impair the value of property pledged as collateral on loans and affect our ability to sell the collateral upon foreclosure without a loss or additional losses. Collateral may have to be sold for less than the outstanding balance of the loan, which could result in losses on such loans. Such declines and losses could have a material adverse impact on our business, results of operations and growth prospects. If real estate values decline, it is also more likely that we would be required to increase our allowance for credit losses, which could adversely affect our financial condition, results of operations and cash flows.

We rely on independent mortgage bankers to source a significant portion of our loans. Competition with other lenders for the business of independent mortgage bankers could negatively affect the volume and pricing of our originated loans.

We depend on independent mortgage bankers to source our CRE secured loans. These independent mortgage bankers are engaged by their borrower clients, have relationships with multiple lenders, and are not obligated by contract or otherwise to do business with us. We compete with other lenders for independent mortgage bankers' business on pricing, service and other factors. If mortgage bankers do not continue to refer borrowers to us, whether for competitive or other reasons, the volume, quality and pricing of our loans may be adversely affected, which could harm our revenues and profitability.

If we are unable to consistently maintain our historical levels of growth, we may not be able to maintain our historical earnings trends.

To achieve our past levels of growth and earnings, we have focused on internal loan growth. We may not be able to sustain our historical rate of growth or may not be able to grow at all. Various factors, such as economic conditions, competition and heightened regulatory scrutiny, may also impede our efforts to expand our market presence or prohibit us from maintaining our historical levels of growth or earnings. We may be unable to attract and retain experienced bankers, which could adversely affect our growth. In addition, although we do not consider our business to be seasonal, our loan growth during the first calendar quarter is generally lower than in the following quarters of the year. If we are not able to continue our historical levels of growth, our results from operations and financial condition may be adversely affected because a significant percentage of our operating costs are fixed expenses.

To meet our growth objectives, we may originate or purchase loans outside of our market area, which could affect the level of our net interest margin and nonperforming loans.

To meet our growth objectives and to diversify our loan portfolio geographically, we may originate or purchase loans outside of our primary market area, which could affect the level of our net interest margin and nonperforming loans. For purposes of CRE lending, we consider the Western United States (generally the states of Arizona, California, Colorado, Idaho, Nevada, Oregon, Texas, Utah and Washington) as our primary market. At June 30, 2026, our CRE loan portfolio included $4.2 billion of loans, constituting of 90.2% of total loans, within our primary market area and less than 1% of total loans outside our primary market. Almost all of the Bank's other lending (C&I, residential real estate, agriculture, construction, etc.) takes place in California. Lending outside of our market area may expose us to heightened risks, particularly when originating or acquiring loans in unfamiliar geographic areas. Monitoring such loans also may pose greater challenges for us and collecting delinquent loans outside of our market area may be more difficult for our staff relative to our competitors. If we experience increases in nonperforming loans and other nonperforming assets, our net interest income may be negatively impacted and our loan administration costs could increase, either of which could have an adverse effect on our net income and related ratios, such as returns on assets and equity.

We may be exposed to higher credit risk by CRE, C&I, and construction and development-based lending as well as relationship exposure with a number of large borrowers.

CRE, C&I, and construction and development based lending may involve higher credit risks than 1–4 family residential real estate lending. At June 30, 2026, the following loan types accounted for the stated percentages of our loan portfolio: CRE (both owner-occupied and non-owner occupied) 90.2%; C&I 3.3%; and construction and development 0.9%. These types of loans also typically involve larger loan balances to a single borrower or groups of related borrowers. These higher credit risks are further heightened when the loans are concentrated in a small number of larger borrowers leading to relationship exposure. As of June 30, 2026 we had approximately 904 loans with over $4.4 billion of outstanding borrowings with us. While we are not dependent on any of these relationships and while none of these large relationships have directly impacted our allowance for credit losses, a deterioration of any of these large credits could require us to increase our allowance for credit losses or result in significant losses to us.

Non-owner occupied CRE loans may be affected to a greater extent by adverse conditions in real estate markets or the economy because CRE borrowers' ability to repay their loans depends on successful development of their properties and continued tenancy in their properties. These loans also may involve greater risk because they generally are not fully amortizing over the loan period, but have a balloon payment due at maturity. A borrower's ability to make a balloon payment typically will depend on being able to either refinance the loan or sell the underlying property in a timely manner.

C&I loans and owner-occupied CRE loans are typically based on the borrowers' ability to repay the loans from the cash flow of their businesses. These loans may involve greater risk because the availability of funds to repay each loan depends substantially on the success of the business itself. In addition, the assets securing the loans have the following characteristics: (i) they may depreciate over time, (ii) they are difficult to appraise and liquidate, and (iii) they fluctuate in value based on the success of the business.

Risk of loss on a construction and development loan depends largely upon whether our initial estimate of the property's value at completion of construction or development equals or exceeds the cost of the property construction or development (including interest), the availability of permanent take-out financing and the builder's ability to ultimately sell the property. During the construction or development phase, a number of factors can result in delays and cost overruns. If estimates of value are inaccurate or if actual construction costs exceed estimates, the value of the property securing the loan may be insufficient to ensure full repayment when completed through a permanent loan or by seizure of collateral.

Additionally, historically CRE loans, C&I, and construction and development loans are more susceptible to a risk of loss during a downturn in the business cycle. Our underwriting, review and monitoring cannot eliminate all of the risks related to these loans.

We are exposed to higher credit risk by our CRE loans.

CRE loans usually involve higher credit risks than other types of mortgage loans. As of June 30, 2026, 90.2% of our loan portfolio consisted of CRE, both owner-occupied, non-owner occupied and multifamily. These types of loans also involve larger loan balances to a single borrower or groups of related borrowers. These higher credit risks are further heightened when the loans are concentrated in a small number of larger borrowers leading to relationship exposure.

Non-owner occupied CRE loans may be affected to a greater extent than residential loans by adverse conditions in real estate markets or the economy because CRE borrowers' ability to repay their loans depends on successful development of their properties, in addition to the factors affecting residential real estate borrowers. These loans also involve greater risk because they generally are not fully amortizing over the loan period, but have a balloon payment due at maturity. A borrower's ability to make a balloon payment typically will depend on being able to either refinance the loan or sell the underlying property in a timely manner.

Owner-occupied CRE loans are typically based on the borrowers' ability to repay the loans from the cash flow of their businesses. These loans may involve greater risk because the availability of funds to repay each loan depends substantially on the success of the business itself. In addition, the assets securing the loans have the following characteristics: (i) they depreciate over time; (ii) they are difficult to appraise and liquidate; and (iii) they fluctuate in value based on the success of the business.

CRE loans and construction loans are more susceptible to a risk of loss during a downturn in the business cycle. For example, the COVID-19 pandemic had adverse effects on our loans for office and hospitality space, which are dependent for repayment on the successful operation and management of the associated CRE. Our underwriting, review and monitoring cannot eliminate all of the risks related to these loans.

Banking regulators give CRE lending greater scrutiny and may require banks with higher levels of CRE loans to implement improved underwriting, internal controls, risk management policies and portfolio stress testing, as well as possibly higher levels of allowances for losses and capital levels as a result of CRE lending growth and exposures. In recent years, CRE markets have been particularly impacted by the economic disruption resulting from the COVID-19 pandemic and advances in technology, which have been catalysts for the evolution of various remote work options which could impact the long-term performance of some types of office properties within our CRE portfolio, which represented approximately 12% of our CRE portfolio at June 30, 2026. The federal banking regulatory agencies have expressed concerns about weaknesses in the current CRE market. Given conditions in the CRE market, we face a heightened risk that some of our CRE loans may be susceptible to the risk of loss. Therefore, we could experience losses, be required to raise additional capital or be restricted in our ability to originate or maintain CRE loans.

The appraisals and other valuation techniques we use in evaluating and monitoring loans secured by real property and OREO may not accurately reflect the net value of the asset.

In considering whether to make a loan secured by real property, we generally require an appraisal of the property. An appraisal is only an estimate of the value of the property at the time the appraisal is made, and, because real estate values may change significantly in value in relatively short periods of time, this estimate may not accurately reflect the net value of the collateral after the loan is made. As a result, we may not be able to realize the full amount of any remaining indebtedness when we foreclose on and sell the relevant property. In addition, we rely on appraisals and other valuation techniques to establish the value of OREO that we acquire through foreclosure proceedings and to determine loan impairments. If any of these valuations are inaccurate, our consolidated financial statements may not reflect the correct value of our OREO, if any, and our allowance for credit losses may not reflect accurate loan impairments. Inaccurate valuation of OREO or inaccurate provisioning for loan losses could have an adverse effect on our business, financial condition and results of operations.

A significant percentage of our loans are attributable to a relatively small number of borrowers.

Our 20 largest borrowing relationships accounted for approximately 24% of our loans at June 30, 2026. Our largest single borrowing relationship accounted for approximately 3.5% of our total loans at June 30, 2026. The loss of any combination of these borrowers, or a significant decline in their borrowings due to fluctuations related to their business needs, could adversely affect our results of operations if we are unable to replace their borrowings with similarly priced new loans or investments. In addition, with this concentration of credit risk among a limited number of borrowers, we may face a greater risk of material credit losses if any one or several of these borrowers fail to perform in accordance with their loans, compared to a bank with a more diversified loan portfolio.

We face strong competition from other companies that offer banking and financial services.

We conduct our banking operations primarily in California, though we lend to borrowers throughout the Western United States. Many of our competitors offer the same, or a wider variety of, financial services within our market areas. These competitors include banks with nationwide operations, regional banks and community banks. In many instances these national and regional banks have greater resources than we do, and some community banks may have stronger ties in local markets than we do, which may put us at a competitive disadvantage. We also face competition from many other types of financial institutions, including savings and loan institutions, finance companies, brokerage firms, insurance companies, credit unions, mortgage banks, financial technology firms and other financial intermediaries. In addition, a number of out-of-state financial institutions have opened production offices, or otherwise solicit deposits and loans, in our market areas. We face growing competition from credit unions, which have been allowed to increasingly expand their membership definitions and, because they enjoy a favorable tax status, may be able to offer more attractive loan and deposit pricing. Increased competition in our markets may result in reduced loans and deposits, as well as reduced net interest margin and profitability. In recent years we have experienced greater competition for CRE loans as other lenders have increasingly returned to this type of lending. Ultimately, we may not be able to compete successfully against current and future competitors. If we are unable to attract and retain banking clients, we may be unable to continue to grow our loan and deposit portfolios, and our business, financial condition and results of operations may be adversely affected.

Our multifamily loan and mixed-use loan portfolio could be adversely impacted by regulation or regulatory changes.

Multi-family and mixed-use loans may involve a greater risk than one-to-four family residential loans because of legislation and government regulations involving rent control and tenant protection, which could impair the value of the security for the loan or the future cash flows of such properties. In 2019, the California state legislature enacted the Tenant Protection Act of 2019 ("AB 1482"). AB 1482 caps annual rent increases throughout the State of California to 5% plus the percentage change in the cost of living (based on the Consumer Price Index) or 10%, whichever is less. AB 1482 also includes "just cause" eviction protections for tenants in good standing. AB 1482 generally applies to rental units in non-owner occupied multifamily properties. Furthermore, at the local level, many California municipalities have adopted rent control laws and tenant protections that are more restrictive than AB 1482. As a result of these restrictions, it is possible that rental income on certain rent-regulated properties might not rise sufficiently over time to satisfy interest payments or increases in overhead expenses, such as utilities, taxes and maintenance, particularly during periods of increased inflation. At June 30, 2026, we had $1.2 billion of multi-family commitments secured loans in California, or 28% of our total loan portfolio. Of this subset, approximately $840 million were subject to AB 1482 or some other form of rent stabilization or rent control.

In September 2008, Fannie Mae and Freddie Mac were placed into conservatorship by the U.S. government. The Trump administration has reportedly renewed efforts to privatize Fannie Mae and Freddie Mac by divesting the U.S. government's interests in these entities. The effects of such privatization are unknown at this time, but the privatization of these entities could significantly disrupt the secondary mortgage market, potentially creating more competition, which could impact our ability to originate loans secured by multi-family real estate profitably or at all.

We follow a relationship-based operating model and our ability to maintain our reputation is critical to the success of our business and the failure to do so may materially adversely affect our performance.

We are a community bank, and our reputation is one of the most valuable components of our business. However, reputation risk, or the risk to our business, earnings and capital from negative public opinion surrounding the Bank and the financial institutions industry generally, is inherent in our business. Negative public opinion can result from our actual or alleged conduct in any number of activities, including business and lending practices, corporate governance and acquisitions, and from actions taken by government regulators and community organizations in response to those activities. Negative public opinion can adversely affect our ability to keep and attract customers and employees and can expose us to litigation and regulatory action. Although we take steps to minimize reputation risk in dealing with our customers and communities, this risk will always be present given the nature of our business. If our reputation is negatively affected by the actions of our employees or otherwise, our business and operating results may be materially adversely affected.

Interest rate shifts may reduce net interest income and otherwise negatively impact our financial condition and results of operations.

The majority of our banking assets are monetary in nature and subject to risk from changes in interest rates. Like most financial institutions, our earnings are significantly dependent on our net interest income, the principal component of our earnings, which is the difference between interest earned by us from our interest-earning assets, such as loans and investment securities, and interest paid by us on our interest-bearing liabilities, such as deposits and borrowings. We expect that we will periodically experience "gaps" in the interest rate sensitivities of our assets and liabilities, meaning that either our interest-bearing liabilities will be more sensitive to changes in market interest rates than our interest-earning assets, or vice versa. In either event, if market interest rates should move contrary to our position, this "gap" will negatively impact our earnings. Many factors impact interest rates, including monetary policies of the Federal Reserve, inflation, recession, changes in unemployment, the money supply, and international disorder and instability in domestic and foreign financial markets.

Interest rate increases, whether as a result of changes in the monetary policy of the Federal Reserve or otherwise, often result in larger payment requirements for our borrowers, which increase the potential for default. At the same time, the marketability of the property securing a loan may be adversely affected by any reduced demand resulting from higher interest rates. In a declining interest rate environment, there may be an increase in prepayments on loans as borrowers refinance their loans at lower rates.

Changes in interest rates also can affect the value of loans, securities and other assets. An increase in interest rates that adversely affects the ability of borrowers to pay the principal or interest on loans may lead to an increase in nonperforming assets and a reduction of income recognized, which could have a material adverse effect on our results of operations and cash flows. Any substantial or unexpected change in, or prolonged change in market interest rates could have a material adverse effect on our financial condition and results of operations.

We could recognize losses on securities held in our securities portfolio, particularly if interest rates increase or economic and market conditions deteriorate.

We invest a portion of assets in investment securities. As of June 30, 2026, we held approximately 16% of our assets in an investment securities portfolio containing primarily U.S. Treasury securities, agency securities and agency mortgage-backed securities that are sensitive to changes in interest rates. Factors beyond our control can significantly influence the fair value of securities in our portfolio and can cause potential adverse changes to the fair value of these securities. For example, fixed-rate securities in our portfolio are generally subject to decreases in market value when interest rates rise, as they did in 2022 and 2023. Other factors that may influence the value of securities we hold include but are not limited to rating agency downgrades of the securities or our own analysis of the value of the security, defaults by the issuer or individual mortgagors with respect to the underlying securities and instability in the credit markets. Any of the foregoing factors could cause us to record an allowance for credit losses related to securities and result in realized losses. The process for determining whether credit losses have occurred usually requires difficult, subjective judgments about the future financial performance of the issuer and any collateral underlying the security in order to assess the probability of receiving all contractual principal and interest payments on the security. Because of changing economic and market conditions affecting interest rates, the financial condition of issuers of the securities and the performance of the underlying collateral, we may recognize realized and/or unrealized losses in future periods, which could have an adverse effect on our financial condition and results of operations.

As of June 30, 2026, our net unrealized losses on securities available for sale totaled $7.9 million or $5.5 million, net of tax. If we determine to sell all or a material portion of our investment securities portfolio, we may recognize significant losses that would adversely affect our business, financial condition or results of operations and reduce our regulatory capital ratios.

We are subject to market, operational, accounting, credit and other related risks associated with our interest rate hedging strategies.

We may seek to mitigate our interest rate risk by entering interest rate swaps and other interest rate derivative contracts from time to time. No hedging strategy can completely mitigate our exposure to interest rate risk, and the derivative financial instruments we elect may not have the effect of reducing our interest rate risk. Our hedging strategies rely on assumptions and projections regarding interest rates, asset levels and general market factors and subject us to counterparty risks, such as the risks of insolvency or other inability of the counterparty to a particular transaction to perform its obligations thereunder, including providing sufficient collateral. Hedging strategies that prove to be ineffective, inaccurate assumptions or projections or the failure of a counterparty to fulfill its contractual obligations could increase our risks and losses.

To the extent a derivative contract does not meet the requirements for applying hedge accounting in accordance with GAAP, our earnings may be adversely affected. In particular, to be eligible for hedge accounting under GAAP, derivatives must be highly effective in offsetting changes in the value or cash flows of the hedged items and appropriately designated or documented as such. If it is determined that a derivative is not highly effective at hedging the designated exposure, hedge accounting is discontinued and the changes in fair value of the instrument are included in our reported net income. To the extent we enter into derivatives contracts to mitigate interest rate risk arising from loan commitment letters, such derivative contracts may not be eligible for full hedge accounting until such time, if ever, that we enter into binding agreements with respect to such loans. As of June 30, 2026, approximately 17% of our derivative contracts having an aggregate notional value of $417.5 million were not eligible for hedge accounting.

In addition, hedging strategies involve transaction and other costs. Therefore, our hedging strategies and the derivatives that we use may not adequately offset the risks of interest rate volatility and could result in or magnify losses, which could have an adverse effect on our financial condition and result of operations.

Our deposit portfolio includes significant concentrations and a large percentage of our deposits are attributable to a relatively small number of customers.

As a commercial bank, we provide services to a number of customers whose deposit levels vary considerably. Our 20 largest depositor relationships accounted for approximately 52.1% of our deposits at June 30, 2026. Our largest depositor relationship accounted for approximately 9.6% of our deposits at June 30, 2026. These deposits can and do fluctuate substantially. The loss of any combination of these depositors, or a significant decline in the deposit balances due to ordinary course fluctuations related to these customers' businesses, could adversely affect our liquidity and require us to raise deposit rates to attract new deposits, purchase federal funds or borrow funds on a short-term basis to replace such deposits. Depending on the interest rate environment and competitive factors, low-cost deposits may need to be replaced with higher cost funding, resulting in a decrease in net interest income and net income.

Our deposit portfolio includes a significant concentration of deposits from CCA entities.

As of June 30, 2026, approximately 41.7% of our deposit portfolio, primarily in California, consists of relationships with CCAs. CCAs were legislatively created in California in 2002 to allow municipalities and joint powers authorities to procure electricity generation on behalf of residents and businesses that operate within areas previously only served by existing investor-owned utilities areas. Electricity delivery, billing, and grid services remain with the investor-owned utilities, while electricity procurement is competitive between the CCAs and investor-owned utilities. We have provided banking services to CCAs since 2010 and we believe we currently maintain banking relationships with the majority of CCAs operating in California.

If our CCA customers were to move their funds to other depository institutions or other investments, we could lose a significant amount of deposits. Changes in laws governing CCAs, market forces and other factors affecting CCAs could adversely affect the number of CCAs, their cash flows, or their ability or willingness to conduct business with us, any of which could reduce the volume of our CCA deposits. The loss of a material portion of our CCA deposits could have a material adverse impact on our liquidity, business, financial condition and results of operations.

A lack of liquidity could adversely affect our operations and jeopardize our business, financial condition, and results of operations.

Liquidity is essential to our business. We rely on our ability to generate deposits and effectively manage the repayment and maturity schedules of our loans and investment securities, respectively, to ensure that we have adequate liquidity to fund our operations. An inability to raise funds through deposits, borrowings, the sale of our investment securities, Federal Home Loan Bank ("FHLB") advances, the sale of loans, and other sources could have a substantial negative effect on our liquidity. Our most important source of funds consists of deposits. Deposit balances can decrease when customers perceive alternative investments as providing a better risk/return tradeoff. If our customers move money out of bank deposits to other banks and/or into other investments, we would lose a relatively low-cost source of funds, increasing our funding costs and reducing our net interest income and net income.

Any decline in available liquidity could adversely impact our ability to originate loans, invest in securities, meet our expenses, pay dividends to our shareholders, or to fulfill obligations such as repaying our borrowings or meeting deposit withdrawal demands, any of which could have a material adverse impact on our liquidity, business, financial condition and results of operations.

We may need to raise additional capital in the future, and if we fail to maintain sufficient capital, whether due to losses, an inability to raise additional capital or otherwise, our financial condition, liquidity and results of operations, as well as our ability to maintain compliance with regulatory capital requirements, would be adversely affected.

We face significant capital and other regulatory requirements as a financial institution. In addition, we must meet certain regulatory capital requirements and maintain sufficient liquidity. We may need to raise additional capital in the future to provide us with sufficient capital resources and liquidity to support our growth, absorb any losses and to meet our commitments and business needs. Our ability to raise additional capital depends on conditions in the capital markets, economic conditions and a number of other factors, including investor perceptions regarding the banking industry, market conditions and governmental activities, and on our financial condition and performance. Accordingly, we cannot assure you that we will be able to raise additional capital if needed or on terms acceptable to us. If we fail to maintain capital to meet regulatory requirements, our financial condition, liquidity and results of operations would be materially and adversely affected.

We may pursue acquisitions in the future, which would expose us to financial, execution and operational risks that could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

We may pursue acquisitions of other financial institutions, bank branches or financial services businesses in target markets. Such an acquisition strategy would involve significant risks, including our success in integrating the acquired operations, retaining key employees and customers, achieving anticipated synergies, meeting expectations and otherwise realizing the undertaking's anticipated benefits; litigation resulting from circumstances occurring at the acquired entity prior to the date of acquisition; loan downgrades and credit loss provisions resulting from underwriting of certain acquired loans determined not to meet our credit standards; personnel changes that cause instability within a department; delays in implementing new policies or procedures or the failure to apply new policies or procedures; and other events relating to the performance of our business. Failure to successfully integrate the entities we acquire into our existing operations may increase our operating costs significantly and adversely affect our business and earnings.

Risks Related to Accounting and Financial Reporting

If we fail to design, implement and maintain effective internal control over financial reporting or remediate any future material weakness in our internal control over financial reporting, we may be unable to accurately report our financial results or prevent fraud.

Our internal controls over financial reporting are designed to provide reasonable assurance regarding the reliability of the financial reporting and the preparation of financial statements for external purposes in accordance with GAAP. Effective internal controls over financial reporting are necessary for us to provide reliable reports and prevent fraud. We may not be able to identify all significant deficiencies and/or material weaknesses in our internal control over financial reporting in the future, and our failure to maintain effective internal control over financial reporting in accordance with the requirements of the Federal Deposit Insurance Corporation Improvement Act (the "FDICIA"), or Section 404 of the Sarbanes-Oxley Act could have an adverse effect on our business, financial condition and results of operations.

In the normal course of our operations, we may identify deficiencies that would have to be remediated to satisfy the requirements of FDICIA or SEC rules, as implemented by the FDIC, for certification of our internal controls over financial reporting. A material weakness is defined by the standards issued by the Public Company Accounting Oversight Board, as a deficiency, or combination of deficiencies, in internal controls over financial reporting that results in a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis. As a consequence, we would have to disclose in periodic reports we file with the FDIC any material weakness in our internal controls over financial reporting. The existence of a material weakness would preclude management from concluding that our internal controls over financial reporting are effective and preclude our independent registered public accounting firm from rendering their report addressing the effectiveness of our internal controls over financial reporting. In addition, disclosures of deficiencies of this type in our FDIC reports could cause investors to lose confidence in our financial reporting and may negatively affect the market price of our common stock and could result in the delisting of our securities from the securities exchanges on which they trade. Moreover, effective internal controls are necessary to produce reliable financial reports and to prevent fraud. If we have deficiencies in our disclosure controls and procedures or internal controls over financial reporting, such deficiencies could have an adverse effect on our business, financial condition or results of operations.

Our internal controls and procedures may fail or be circumvented.

Our management regularly reviews and updates its internal controls over financial reporting, disclosure controls and procedures, and corporate governance policies and procedures. Any system of controls and procedures, however well designed and operated, is based in part on certain assumptions and can provide only reasonable, not absolute, assurances that the objectives of the system are met. Any failure or circumvention of our controls and procedures, or failure to comply with regulations related to controls and procedures, could result in materially inaccurate reported financial statements and/or have a material adverse effect on our business, results of operations, and financial condition.

The accuracy of our management's judgments and estimates about financial and accounting matters may impact operating results and financial condition.

We have made a number of estimates and assumptions relating to the reporting of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period to prepare these consolidated financial statements in conformity with GAAP. Actual results could differ from these estimates. Items affected by material estimates that are subject to change include, among other items, our allowance for credit losses, the carrying value of goodwill or other intangible assets, the fair value estimates of certain assets and liabilities, and the realization of deferred tax assets and liabilities. These estimates may be adjusted as more current information becomes available, and any adjustment may be significant, which could have a material adverse effect on our financial condition and results of operations. Our management makes certain estimates and judgments in preparing the financial statements. The quality and accuracy of those estimates and judgments will impact our operating results and financial condition.

There are risks resulting from our use of models in our business, and we rely on third parties for the provision of economic forecasts and other key inputs used in our models.

We rely on quantitative models to measure risks and to estimate certain financial values. We use models in such processes as measuring interest rate and other market risks, predicting or estimating losses, and assessing capital adequacy, as well as to estimate the value of financial instruments and balance sheet items. Inadequately designed or implemented models present the risk that our business decisions based on information incorporating model output could be adversely affected due to the inaccuracy of that information. Models are often based on historical experiences to predict future outcomes, as a result new experiences or events which are not part of historical experience can significantly increase model imprecision and impact model reliability. In addition, we rely on model inputs that are provided by third parties. For example, we rely on third parties to provide forecasts of key macroeconomic variables such as U.S. unemployment rates and CRE characteristics.

Risks Related to Technology

System failure or breaches of our network security, including as a result of cyber-attacks or data security breaches, could subject us to increased operating costs as well as litigation and other liabilities.

The computer systems and network infrastructure we use may be vulnerable to physical theft, fire, power loss, telecommunications failure or a similar catastrophic event, as well as security breaches, denial of service attacks, viruses, worms and other disruptive problems caused by hackers. Any damage or failure that causes breakdowns or disruptions in our customer relationship management, general ledger, deposit, loan and other systems could damage our reputation, result in a loss of customer business, subject us to additional regulatory scrutiny for failure to comply with required information security standards, or expose us to civil litigation and possible financial liability, any of which could have a material adverse effect on us.

Computer break-ins, phishing and other disruptions could also jeopardize the security of information stored in and transmitted through our computer systems and network infrastructure. Information security risks have generally increased in recent years in part because of the proliferation of new technologies, the use of the Internet and telecommunications technologies to conduct financial transactions, and the increased sophistication and activities of organized crime, hackers, terrorists, activists, and other external parties. Our operations rely on the secure processing, transmission and storage of confidential information in our computer systems and networks. In addition, to access our products and services, our customers may use devices that are beyond our control systems. Although we believe we have robust information security procedures and controls, our technologies, systems, networks, and our customers' devices may become the target of cyber-attacks or information security breaches that could result in the unauthorized release, gathering, monitoring, misuse, loss or destruction of the Bank's or our customers' confidential, proprietary and other information, or otherwise disrupt the Bank's or our customers' or other third parties' business operations. As cyber threats continue to evolve, we may be required to expend significant additional resources to continue to modify or enhance our protective measures or to investigate and remediate any information security vulnerabilities.

We are under continuous threat of loss due to hacking and cyber-attacks especially as we continue to expand customer capabilities to utilize internet and other remote channels to transact business. Two of the most significant cyber-attack risks that we face are e-fraud and loss of sensitive customer data. Loss from e-fraud occurs when cybercriminals breach and extract funds directly from customer or our accounts. Attempts to breach sensitive customer data, such as account numbers and social security numbers, are less frequent but would present significant reputational, legal and/or regulatory costs to us if successful. Our risk and exposure to these matters remain heightened because of the evolving nature and complexity of these threats from cybercriminals and hackers, our plans to continue to provide internet banking and mobile banking channels, and our plans to develop additional remote connectivity solutions to serve our customers. We cannot assure that we will not be the victim of successful hacking or cyberattacks in the future that could cause us to suffer material losses. Any cyber-attack or information security breach could result in potential liability to customers, reputational damage and the disruption of our operations, and regulatory concerns, all of which could adversely affect our business, financial condition or results of operations.

We have a continuing need to stay current with technological changes to compete effectively and increase our efficiency. We may not have the resources, when compared to much larger institutions, to implement new technology to stay current with these changes.

The financial services industry is undergoing rapid technological changes with frequent introductions of new technology-driven products and services. In addition to better serving customers, the effective use of technology increases efficiency and enables financial institutions to reduce costs. Our future success will depend in part upon our ability to address the needs of our customers by using technology to provide products and services that will satisfy customer demands for convenience as well as to provide secure electronic environments and create additional efficiencies in our operations as we continue to grow and expand our market area. In connection with implementing new technology enhancements or products in the future, we may experience certain operational challenges (*e.g.,* human error, system error, incompatibility, etc.), which could result in us not fully realizing the anticipated benefits from such new technology or require us to incur significant costs to remedy any such challenges in a timely manner.

Some of our larger competitors have substantially greater resources to invest in technological improvements and may have invested significantly more than us in technological improvements. As a result, they may be able to offer additional or more convenient products compared to those that we will be able to provide, which would put us at a competitive disadvantage. Accordingly, we may not be able to effectively implement new technology-driven products and services or be successful in marketing such products and services to our customers, which could impair our growth and profitability.

We rely on third parties to provide key components of our business infrastructure.

We rely on third parties to provide key components for our business operations, such as data processing and storage, recording and monitoring transactions, online banking interfaces and services, internet connections, and network access. While we select these third-party vendors carefully, we do not control their actions. Any problems caused by these third parties, including those resulting from breakdowns or other disruptions in communication services provided by a vendor, failure of a vendor to handle current or higher volumes, cyber-attacks and security breaches at a vendor, failure of a vendor to provide services for any reason, or poor performance of services by a vendor, could adversely affect our ability to deliver products and services to our customers and otherwise conduct our business. Financial or operational difficulties of a third-party vendor could also hurt our operations if those difficulties interfere with the vendor's ability to serve us. Replacing these third-party vendors could create significant delays and expense that adversely affect our business and performance.

Other Risks Related to Our Operations

We are subject to certain operational risks, including, but not limited to, customer or employee fraud and data processing system failures and errors.

Employee errors and employee and customer misconduct could subject us to financial losses or regulatory sanctions and seriously harm our reputation. Misconduct by our employees could include hiding unauthorized activities from us, improper or unauthorized activities on behalf of our customers or improper use of confidential information. It is not always possible to prevent employee errors and misconduct, and the precautions we take to prevent and detect this activity may not be effective in all cases. Employee errors could also subject us to financial claims for negligence.

We maintain a system of internal controls and insurance coverage to mitigate against operational risks, including data processing system failures and errors and customer or employee fraud. If our internal controls fail to prevent or detect an occurrence, or if any resulting loss is not insured or exceeds applicable insurance limits, it could have a material adverse effect on our business, financial condition and results of operations.

In addition, we rely heavily upon information supplied by commercial mortgage loan brokers and other third parties, including the information contained in credit applications, property appraisals, title information, equipment pricing and valuation and employment and income documentation, in deciding which loans we will originate, as well as the terms of those loans. If any of the information upon which we rely is misrepresented, either fraudulently or inadvertently, and the misrepresentation is not detected prior to loan funding, the value of the business and/or loan collateral may be significantly lower than expected, or we may fund a loan that we would not have funded or on terms we would not have extended. Whether a misrepresentation is made by the applicant or another third party, we generally bear the risk of loss associated with the misrepresentation if we fund the loan. A loan subject to a material misrepresentation is typically unsellable or subject to repurchase if it is sold prior to detection of the misrepresentation. The sources of the misrepresentations are often difficult to locate, and it is often difficult to recover any of the monetary losses we may suffer.

We are exposed to risk of environmental liabilities with respect to properties to which we obtain title.

A significant portion of our loan portfolio is secured by real estate. In the course of our business, we may foreclose and take title to real estate and could be subject to environmental liabilities with respect to these properties. We may be held liable to a government entity or to third parties for property damage, personal injury, investigation and clean-up costs incurred by these parties in connection with environmental contamination or may be required to clean up hazardous or toxic substances, or chemical releases at a property. The costs associated with investigation and remediation activities could be substantial. In addition, if we are the owner or former owner of a contaminated site, we may be subject to common law claims by third parties based on damages and costs resulting from environmental contamination emanating from the property. These costs and claims could adversely affect our business, results of operations and prospects. In addition, the Bank owns six locations including our corporate headquarters and some of the Bank’s branches. We may face similar environmental liabilities with these properties.

We may be adversely affected by the lack of soundness of other financial institutions.

Our ability to engage in routine funding and other transactions could be adversely affected by the actions and commercial soundness of other financial institutions. Financial institutions are interrelated as a result of trading, clearing, counterparty or other relationships. Defaults by, or even rumors or questions about, one or more financial institutions or market utilities, or the financial services industry generally, may lead to market-wide liquidity problems and losses of depositor, creditor and counterparty confidence and could lead to losses or defaults by us or by other institutions. For example, during 2023, the high-profile failures of several depository institutions negatively impacted customer confidence in the safety and soundness of some regional and community banks. As a result, we faced and may face the risk that some customers may prefer to maintain deposits with larger financial institutions or invest in short-term fixed income securities instead of deposits with the Bank, either of which could materially adversely impact our liquidity, cost of funding, capital, and results of operations.

We face risks related to severe weather, natural disasters and other external events that could adversely affect our business.

Our operations and our customers are primarily located in California where natural and other disasters may occur. The region is vulnerable to natural disasters, such as earthquakes, fires, droughts and floods. These types of natural catastrophic events may disrupt the local economies, our business and customers in these regions. These events could affect the stability of the Bank's deposit base, impair the ability of borrowers to repay outstanding loans, impair the value of collateral securing loans and cause significant property damage, any of which could materially adversely affect our business and operating results.

There are substantial risks and uncertainties associated with the introduction or expansion of lines of business or new products and services within existing lines of business.

From time to time, we may implement new lines of business or offer new products and services within existing lines of business. For example, we launched our Clean Energy Division in 2018 and our Public Sector Banking Division in 2025. There are substantial risks and uncertainties associated with these efforts, particularly in instances where the markets are not fully developed. In developing and marketing new lines of business and/or new products and services, we may invest significant time and resources. Initial timetables for the introduction and development of new lines of business and/or new products or services may not be achieved and price and profitability targets may not prove attainable. External factors, such as compliance with regulations, competitive alternatives, and shifting market preferences, may also impact the successful implementation of a new line of business or a new product or service. Furthermore, any new line of business and/or new product or service could have a significant impact on the effectiveness of our system of internal controls. Failure to successfully manage these risks in the development and implementation of new lines of business or new products or services could have a material adverse effect on our business, results of operations, and financial condition.

Risks Related to Regulations, the Business Environment, and Our Industry

We are subject to extensive government regulation and supervision, which may interfere with our ability to conduct our business and may negatively impact our financial results.

We are subject to extensive federal and state regulation and supervision. Banking regulations are primarily intended to protect consumers, depositors' funds and the safety and soundness of the banking system as a whole, not our shareholders.

If we fail to maintain appropriate levels of capital or liquidity, we could become subject to formal or informal enforcement actions that may impose restrictions on our business, including limiting our lending activities or our ability to expand, requiring us to raise additional capital (which may be dilutive to shareholders) or requiring regulatory approval to pay dividends or otherwise return capital to shareholders. We also face the risk of becoming subject to new or more stringent requirements in connection with the introduction of new regulations or modifications of existing regulations, which could require us to hold more capital or liquidity or have other adverse effects on our business or profitability.

Further, regulators have significant discretion and authority to prevent or remedy unsafe or unsound practices or violations of laws or regulations by financial institutions and holding companies in the performance of their supervisory and enforcement duties. The exercise of regulatory authority may have an adverse impact, which could be material, on our business, financial condition, results of operations, and prospects. Additionally, our business is affected significantly by the fiscal and monetary policies of the U.S. federal government and its agencies, including the Federal Reserve.

The burden imposed by federal regulations puts banks at a competitive disadvantage compared to less regulated competitors such as nonbank finance companies, mortgage-banking companies, digital fin-tech lenders, and leasing companies. These regulations affect our lending practices, capital structure, investment practices, dividend policy and growth, among other things. Changes in the laws, regulations, and regulatory practices affecting the banking industry may increase the costs of doing business or otherwise adversely affect the Bank and create competitive advantages for others. Regulations affecting banks and financial services companies undergo continuous change, and we cannot predict the ultimate effect of these changes, which could have a material adverse effect on profitability or financial condition. In addition, changes to other laws or regulations, such as tax laws, could also have a disproportionate impact on us, based on the way those laws or regulations are applied to financial services and financial firms or due to our corporate structure or where or how we provide these services.

Our failure to comply with laws, regulations or policies could result in sanctions by regulatory agencies, civil money penalties and/or reputation damage, which could have a material adverse effect on our business, financial condition and results of operations. While we have policies and procedures designed to prevent any such violations, there can be no assurance that such violations will not occur. See the section entitled "*Supervision and Regulation*."

Bank regulatory agencies periodically conduct examinations of our business, including for compliance with laws and regulations, and could subject us to regulatory enforcement actions or other negative consequences.

Bank regulatory agencies, including the FDIC and the DFPI, periodically conduct examinations of our business, including our compliance with laws and regulations. If, as a result of an examination, an agency were to determine that the financial, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of any of our operations had become unsatisfactory, or violates any law or regulation, such agency may take certain remedial or enforcement actions it deems appropriate to correct any deficiency. Remedial or enforcement actions include the power to enjoin "unsafe or unsound" practices, to require affirmative actions to correct any conditions resulting from any violation or practice, to issue an administrative order that can be judicially enforced against a bank, to direct an increase in the bank's capital, to restrict a bank's growth, to assess civil monetary penalties against a bank's officers or directors, and to remove officers and directors. The FDIC and DFPI have authority to take enforcement actions, including cease-and desist orders or civil monetary penalties, if it finds that we offer consumer financial products and services in violation of federal consumer financial protection laws.

If a bank regulatory agency determines that we have violated a law or engaged in an unsafe or unsound practice, we could become subject to a variety of supervisory actions and orders, including cease and desist orders, prompt corrective actions, memoranda of understanding and other regulatory enforcement actions. Such supervisory actions could, among other things, impose greater restrictions on our business, as well as our ability to develop any new business. We could also be required to raise additional capital or dispose of certain assets and liabilities within a prescribed time period, or both. Failure to implement remedial measures as required by financial regulatory agencies could result in additional orders or penalties from federal and state regulators, which could trigger one or more of the remedial actions described above. The terms of any supervisory action and associated consequences with any failure to comply with any supervisory action could have a material negative effect on our business, operating flexibility and overall financial condition.

Significant legal or regulatory actions could subject us to substantial uninsured liabilities and reputational harm and have a material adverse effect on our business and results of operations.

We are from time to time subject to claims and proceedings related to our operations. Claims and legal actions, including supervisory or enforcement actions by our regulators, or criminal proceedings by prosecutorial authorities, could involve large monetary claims, including civil money penalties or fines imposed by government authorities and significant defense costs. To mitigate the cost of some of these claims, we maintain insurance coverage in amounts and with deductibles that we believe are appropriate for our operations. However, our insurance coverage does not cover any civil money penalties or fines imposed by government authorities and may not cover all other claims that might be brought against us or continue to be available to us at a reasonable cost. As a result, we may be exposed to substantial uninsured liabilities, which could adversely affect our business, prospects, results of operations and financial condition. Substantial legal liability or significant regulatory action against us could cause significant reputational harm to us and/or could have a material adverse impact on our business, financial condition, results of operations and prospects. Because we primarily serve individuals and businesses located in the western United States, any negative impact resulting from reputational harm, including any impact on our ability to attract and retain customers and employees, likely would be greater than if our business were more geographically diverse.

We participate in reciprocal deposit networks to provide additional FDIC deposit insurance coverage to support our clients and to efficiently manage our balance sheet and liquidity position, which exposes us to risks that may adversely affect our business, financial condition or results of operations.

Reciprocal deposits are deposits exchanged through various reciprocal deposit networks to increase deposit insurance coverage. They allow us to offer our clients access to additional FDIC insurance coverage while receiving back the full amount of the client's deposit. These programs help us efficiently manage our customer relationships, balance sheet and liquidity position by accessing additional funding from other institutions while mitigating risk and complying with regulatory requirements. Further, under FDIC regulations, qualifying reciprocal deposits of over 20% of the liabilities of the Bank may be classified as brokered deposits in our quarterly Call Reports. As of March 31, 2026, we had $2.5 billion of reciprocal deposits, or 47.3% of our total deposit portfolio, of which $1.5 billion are classified as brokered deposits on our Call Reports, pursuant to FDIC regulations.

We are subject to various fees associated with the placement and management of deposits within the networks, which increase our interest-bearing deposits and overall cost of funds, and could lower our net interest margin. If for any reason, we or our clients were no longer able to participate in these reciprocal deposit networks we may experience deposit withdrawals, lose access to deposits funding sources, and have to find alternative sources of borrowing, which could adversely affect our liquidity and capital. Further, our ability to provide our clients with deposit placement services in these networks depends on the participation of other banks within the networks, and any issues affecting these banks, including concerns related to participating banks' financial stability, could disrupt our ability to provide these services to our clients.

Our participation in the networks is also subject to certain terms and conditions, which include limitations on the amount of each participating client's deposits that may be placed at other banks within the network, on the maximum amount of deposits that a bank may place at other banks as reciprocal deposits, and limitations on a bank's ability to receive reciprocal deposits if the bank is not "well capitalized" under the applicable federal banking regulations. The FDIC limits the ability of a bank to accept brokered deposits to those insured depository institutions that are "well capitalized." Institutions that are less than "well capitalized" cannot accept, renew or roll over any brokered deposit unless they have applied for and been granted a waiver by the FDIC. Any of these conditions could limit our ability to participate in the networks, potentially preventing us from achieving the intended benefits and thus adversely affect our business, financial condition or results of operations.

Regulations relating to privacy, information security, and data protection could increase our costs, affect or limit how we collect and use personal information, and adversely affect our business opportunities.

We are subject to a dynamic regulatory landscape with evolving laws and regulations governing privacy, information security, and data protection, including the Gramm-Leach-Bliley Act (the "GLBA"). Compliance with these requirements includes, among other things, privacy disclosure processes and maintenance of a robust information security program with stringent controls. The intricate nature of these laws and their constant evolution introduces the potential for change, which could lead us to incur substantial costs and have a significant impact on our current and planned privacy, data protection, and information security-related practices.

In addition to the risks from the collection, use, retention, security, and transfer of data, we are also subject to specific obligations relating to information considered sensitive under applicable laws, such as the California Consumer Privacy Act of 2018, which came into effect on January 1, 2020, and bolstered by amendments contained in the California Privacy Act effective January 1, 2023. The original California Consumer Privacy Act, as enlarged and amended, provides businesses, employees, and consumers privacy rights regarding the use and sharing practices associated with their collected data, allows consumers to opt out of certain data sharing with third parties, and allows consumers to pursue litigation for certain non-compliance activities.

Our regulators also hold us responsible for privacy and data protection obligations performed by our third-party service providers while providing services to us, as well as disclosures and notifications during a cyber or information security incident. The introduction of new laws or modification of existing laws not only increases our costs of compliance but also present challenges to our privacy-related enforcement activities and business operations. This may be in the form of increased technology costs and/or potential income reduction and could restrict our ability to provide certain products and services. Our failure to comply with privacy, data protection, and information security laws could trigger significant regulatory or governmental investigations and we can be liable for associated investigatory expense, litigation costs, fines, sanctions, and damage to our reputation. Such outcomes could have material adverse effects on our business, financial condition, and results of operations.

We engage in lending secured by real estate and may be forced to foreclose on the collateral and own the underlying real estate, subjecting us to the costs and potential risks associated with the ownership of real property, or consumer protection initiatives or changes in state or federal law which may substantially raise the cost of foreclosure or prevent us from foreclosing at all.

Because we originate loans secured by real estate, we may have to foreclose on the collateral property to protect our investment and may thereafter own and operate such property, in which case we would be exposed to the risks inherent in the ownership of real estate. The amount that we, as a mortgagee, may realize after a foreclosure depends on factors outside of our control, including, but not limited to, general or local economic conditions, environmental cleanup liabilities, assessments, insurance coverage, interest rates, real estate tax rates, operating expenses of the mortgaged properties, our ability to obtain and maintain adequate occupancy of the properties, zoning laws, governmental and regulatory rules, and natural disasters. Our inability to manage the amount of costs or size of the risks associated with the ownership of real estate, or write-downs in the value of OREO, could have an adverse effect on our business, financial condition and results of operations.

Additionally, consumer protection initiatives or changes in state or federal law may substantially increase the time and expenses associated with the foreclosure process or prevent us from foreclosing at all. A number of states in recent years have either considered or adopted foreclosure reform laws that make it substantially more difficult and expensive for lenders to foreclose on properties in default. Additionally, federal and state regulators have prosecuted or pursued enforcement action against a number of mortgage servicing companies for alleged consumer law violations. If new federal or state laws or regulations are ultimately enacted that significantly raise the cost of foreclosure or raise outright barriers to foreclosure, they could have an adverse effect on our business, financial condition and results of operations.

Monetary policies and regulations of the Federal Reserve could adversely affect our business, financial condition and results of operations.

In addition to being affected by general economic conditions, our earnings and growth are affected by the policies of the Federal Reserve. An important function of the Federal Reserve is to regulate the money supply and credit conditions. Among the instruments used by the Federal Reserve to implement these objectives are open market operations in U.S. government securities, adjustments of the discount rate and changes in reserve requirements against bank deposits. These instruments are used in varying combinations to influence overall economic growth and the distribution of credit, bank loans, investments and deposits. Their use also affects interest rates charged on loans or paid on deposits. The monetary policies and regulations of the Federal Reserve have had a significant effect on the operating results of commercial banks in the past and are expected to continue to do so in the future. The effects of such policies upon our business, financial condition and results of operations cannot be predicted.

Our deposit insurance premiums could be substantially higher in the future, which could have a material adverse effect on our future earnings.

The FDIC insures deposits at FDIC-insured depository institutions, such as the Bank, up to applicable limits. The amount of a particular institution's deposit insurance assessment is based on that institution's risk classification under an FDIC risk-based assessment system. An institution's risk classification is assigned based on its capital levels and the level of supervisory concern the institution poses to its regulators, among other factors. Past market developments and bank failures significantly depleted the FDIC's Deposit Insurance Fund and reduced the ratio of reserves to insured deposits. We are generally unable to control the amount of premiums that we are required to pay for FDIC insurance. If there are additional bank or financial institution failures, we may be required to pay higher FDIC premiums. Any future additional assessments, increases or required prepayments in FDIC insurance premiums could reduce our profitability, and may limit our ability to pursue certain business opportunities or otherwise negatively impact our operations.

We are subject to federal and state fair lending laws, and failure to comply with these laws could lead to material penalties.

Federal and state fair lending laws and regulations, such as the Equal Credit Opportunity Act and the Fair Housing Act, impose nondiscriminatory lending requirements on financial institutions. The Department of Justice, CFPB, the federal banking agencies and other federal and state agencies are responsible for enforcing these laws and regulations. Private parties may also have the ability to challenge an institution's performance under fair lending laws in private class action litigation. A successful challenge to our performance under the fair lending laws and regulations could adversely impact our rating under the Community Reinvestment Act (the "CRA") and result in a wide variety of sanctions, including the required payment of damages and civil money penalties, injunctive relief, imposition of restrictions on merger and acquisition activity and restrictions on expansion activity, which could negatively impact our reputation, business, financial condition and results of operations.

We face a risk of noncompliance and enforcement action with the Bank Secrecy Act and other anti-money laundering statutes and regulations.

The Bank Secrecy Act of 1970 as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Bank Secrecy Act"), USA PATRIOT Act of 2001 ("USA PATRIOT Act"), Anti-Money Laundering Act of 2020 ("AMLA") and other laws and regulations require financial institutions, among others, to institute and maintain an effective anti-money laundering compliance program and to file reports such as suspicious activity reports and currency transaction reports. Our products and services are subject to an increasingly strict set of legal and regulatory requirements to help detect and prevent money laundering, terrorist financing and other illicit activities. We are required to comply with these and other anti-money laundering requirements. The federal banking agencies and the U.S. Treasury Department's Financial Crimes Enforcement Network are authorized to impose significant civil money penalties for violations of those requirements and have recently engaged in coordinated enforcement efforts against banks and other financial services providers with the U.S. Department of Justice, Drug Enforcement Administration and Internal Revenue Service. If we violate these laws and regulations, or our policies, procedures and systems are deemed deficient, we could face severe consequences, including sanctions, fines, regulatory actions and reputational consequences. Any of these results could have a material adverse effect on our business, financial condition, results of operations and growth prospects.

In recent years, several banking institutions have received large fines for non-compliance with these laws and regulations. While we have developed policies and procedures designed to assist in compliance with these laws and regulations, these policies and procedures may not be effective in preventing violations of these laws and regulations. Moreover, our efforts to comply with such laws and regulations could result in increased costs related to our regulatory oversight, as we may be required to add additional compliance personnel or incur other significant compliance-related expenses. Failure to maintain and implement adequate programs to combat money laundering and terrorist financing could also have serious reputational consequences for us, which could have a material adverse effect on our business, financial condition and results of operations. See section entitled "*Supervision and Regulation*."

Risks Related to Our Common Stock

Laws and regulations restrict our ability to pay dividends and repurchase stock.

We are subject to various regulatory restrictions limiting our payment of dividends and repurchase of stock. These restrictions are described in greater detail in the section entitled "*Business—Supervision and Regulation—Dividend Restrictions*."

We cannot guarantee that we will be permitted by financial condition or applicable regulatory restrictions to continue to pay dividends or repurchase stock at current levels or at all, or that our Board of Directors will decide that we should pay dividends or repurchase stock at current levels or at all.

Our Board of Directors may issue shares of preferred stock that could adversely affect the rights of our common shareholders.

Our authorized capital stock includes 40,000,000 shares of preferred stock, none of which are issued and outstanding. Our Board of Directors, in its sole discretion, may designate and issue one or more series of preferred stock from the authorized and unissued shares of preferred stock. Subject to limitations imposed by law or our articles of incorporation, our Board of Directors is empowered to determine:

- the designation of, and the number of, shares constituting each series of preferred stock;
- the dividend rate for each series;
- the terms and conditions of any voting, conversion and exchange rights for each series;
- the amounts payable on each series on redemption or our liquidation, dissolution or winding-up;
- the provisions of any sinking fund for the redemption or purchase of shares of any series; and
- the preferences and the relative rights among the series of preferred stock.

We could issue preferred stock with voting and conversion rights that could adversely affect the voting power of the shares of our common stock and with preferences over the common stock with respect to dividends and in liquidation.

Our securities are not FDIC insured.

Shares of our common stock are not savings or deposit accounts or other obligations of the Bank, are not insured by the Deposit Insurance Fund, the FDIC or any other governmental agency and are subject to investment risk, including the possible loss of your entire investment in our common stock.

Future sales of our common stock could depress the market price of our common stock.

Following the completion of this offering, based on 14,199,704 diluted shares of common stock outstanding as of August 5, 2026, we will have 14,199,704 shares of common stock issued and outstanding, of which 13,994,875 shares will be freely transferable without restriction. Included in such amount are 3,434,780 shares that will be held by the Devlin Trust and 2,179,340 shares that will be held by the Marital Trust following the completion of this offering. The Selling Shareholders and our executive officers and directors holding or controlling, in the aggregate, 6,783,002 shares of our common stock as of August 5, 2026 (representing approximately 47.8% of our outstanding common stock as of such date), have agreed not to sell any shares of our common stock for a period of 180 days following the date of this offering circular, subject to certain exceptions. See the section entitled "*Underwriting.*" Following the expiration of this lock-up period, all of these shares will be eligible for resale. See section entitled "*Shares Eligible for Future Sale.*"

Actual or anticipated issuances or sales of substantial amounts of our common stock following this offering, whether by us, the Devlin Trust, the Marital Trust or others, could cause the market price of our common stock to decline significantly and make it more difficult for us to sell equity or equity-related securities in the future and on favorable terms, or at all. A decline in the price of our common stock might impede our ability to raise capital through the issuance of additional common stock or other equity securities.

Our directors, executive officers and principal shareholders will have the ability to influence significant corporate activities after the completion of this offering and their interests may not coincide with yours.

As of August 5, 2026, our directors, executive officers and principal shareholders (five percent or greater shareholders) beneficially owned an aggregate of 9,483,002 shares of our common stock, or approximately 66.8% of our issued and outstanding shares of common stock. Following the completion of this offering, that same group will beneficially own in the aggregate approximately 47.8% of our outstanding common stock. More particularly, we expect that the Devlin Trust will own aggregate of 3,434,780 shares of our common stock, or approximately 24.2% of our issued and outstanding shares of common stock upon the completion of this offering and that the Marital Trust will own aggregate of 2,179,340 shares of our common stock, or approximately 15.3% of our issued and outstanding shares of common stock upon the completion of this offering. Consequently, our directors, executive officers and principal shareholders will be able to influence our affairs and policies, including the outcome of the election of directors and the potential outcome of other matters submitted to a vote of our shareholders, such as mergers, the sale of substantially all of our assets and other extraordinary corporate matters. This influence may also have the effect of delaying or preventing changes of control or changes in management, or limiting the ability of our other shareholders to approve transactions that they may deem to be in the best interests of the Bank. The interests of these insiders could conflict with the interests of our other shareholders, including you.

California law and the provisions of our articles of incorporation and bylaws may have an anti-takeover effect, and there are substantial regulatory limitations on changes of control of an insured depository institution.

California corporate law and provisions of our articles of incorporation and our bylaws, could make it more difficult for a third party to acquire us, even if doing so would be perceived to be beneficial by our shareholders. Furthermore, with certain limited exceptions, federal regulations and the California Financial Code prohibit a person or company or a group of persons deemed to be "acting in concert" from, directly or indirectly, acquiring 10% or more (5% or more if the acquirer is a bank holding company) of any class of our voting stock or obtaining the ability to control in any manner the election of a majority of our directors or otherwise direct the management or policies of our Bank without prior notice or application to and the approval of the appropriate federal regulators and the Commissioner of the DFPI (the "Commissioner"). Accordingly, prospective investors must comply with these requirements, if applicable, in connection with any purchase of shares of our common stock. Collectively, provisions of our articles of incorporation and bylaws and other statutory and regulatory provisions may delay, prevent or deter a merger, acquisition, tender offer, proxy contest or other transaction that might otherwise result in our shareholders receiving a premium over the market price for their common stock. Moreover, the combination of these provisions may effectively inhibit certain business combinations, which, in turn, could adversely affect the market price of our common stock.

We are an emerging growth company and the reduced disclosure requirements applicable to emerging growth companies could make our common stock less attractive to investors.

We are an emerging growth company as defined in Section 2(a)(19) of the Securities Act, as modified by the JOBS Act. Under the JOBS Act, emerging growth companies can take advantage of certain exemptions from various reporting requirements that are applicable to other public companies including, without limitation, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, exemptions from the requirements of holding a non-binding advisory shareholder vote on executive compensation and golden parachute payments, exemption from the requirement of auditor attestation in the assessment of our internal control over financial reporting and exemption from any requirement that may be adopted by the Public Company Accounting Oversight Board regarding mandatory audit partner rotation or a supplement to the auditor's report providing additional information about our audit and the financial statements (auditor discussion and analysis). As a result of the foregoing, the information that we provide shareholders may be different than what is available with respect to other public companies.

In addition, Section 107 of the JOBS Act also provides that an emerging growth company can take advantage of the extended transition period provided in Section 7(a)(2)(B) of the Securities Act for complying with new or revised accounting standards. We plan to elect to use the extended period for compliance and, as a result, our financial statements may not be comparable to companies that comply with public company effective dates.

We could remain an "emerging growth company" until the earliest to occur of: (i) the end of the fiscal year following the fifth anniversary of this offering; (ii) the first fiscal year after our annual gross revenues are $1.235 billion or more; (iii) the date on which we have, during the previous three-year period, issued more than $1.0 billion in non-convertible debt securities; or (iv) the date on which we are deemed to be a "large accelerated filer" under the Exchange Act. We have taken advantage of reduced disclosure regarding executive compensation arrangements and the presentation of certain historical financial information in this offering circular, and we may choose to take advantage of some of these reduced disclosure obligations in future filings. If we do, the information that we provide to our shareholders may be different from what you might get from other public companies in which you hold stock. In addition, for so long as we continue to qualify as a non-accelerated filer, we will not be required to comply with the auditor attestation requirements of Section 404(b) of the Sarbanes-Oxley Act.

We cannot predict if investors will find our securities less attractive due to our reliance on these exemptions. If investors were to find our securities less attractive as a result of our election, we may have difficulty raising capital in this offering and future offerings and the market price of our securities may be more volatile

No active public market exists for our common stock, and one may not develop.

Prior to this offering our common stock has been quoted, on a limited basis, on the OTCID Basic Market operated by the OTC Markets Group, Inc. at an average of approximately 3,640 shares per trading day during the second quarter of 2026. Accordingly, there has not been an active public market for our common stock. An active trading market for shares of our common stock may never develop or may not be sustained following this offering. If an active trading market does not develop, you may have difficulty selling your shares of common stock. The initial public offering price for our common stock was determined by negotiations among the Selling Shareholders and us and the representatives of the underwriters. This price may not be indicative of the price at which our common stock will trade after the offering. The market price of our common stock may decline below the initial offering price, and you may not be able to sell your common stock at or above the price you paid in this offering, or at all. An inactive market may also impair our ability to raise capital by selling our common stock and may impair our ability to expand our business through acquisitions using our common stock as consideration, should we elect to do so.

Our stock price may be volatile, which could result in losses to our investors and litigation against us.

Many factors could cause our stock price to fluctuate substantially in the future. These factors include but are not limited to: actual or anticipated variations in earnings, changes in analysts' recommendations or projections, our announcement of developments related to our businesses, operations and stock performance of other companies deemed to be peers, new technology used or services offered by traditional and non-traditional competitors, news reports of trends, irrational exuberance or pessimism on the part of investors, new or expected changes to federal banking regulations, our limited number of shares and shareholders, and other issues related to the financial services industry. Our stock price may fluctuate significantly in the future, and these fluctuations may be unrelated to our performance. General market declines or market volatility in the future, especially in the financial institutions sector, could adversely affect the price of our common stock, and the current market price may not be indicative of future market prices. Stock price volatility may make it more difficult for you to resell your common stock when you want and at prices you find attractive. Moreover, in the past, securities class action lawsuits have been instituted against some companies following periods of volatility in the market price of its securities. We could in the future be the target of similar litigation. Securities litigation could result in substantial costs and divert management's attention and resources from our normal business.

If securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business, our stock price and trading volume could decline.

The trading market for our common stock will depend in part on the research and reports that securities or industry analysts publish about us or our business. We may be unable to attract or sustain research coverage by securities and industry analysts. If no securities or industry analysts commence coverage of the Bank, the trading price for our stock would be negatively impacted. If we obtain securities or industry analyst coverage and if one or more of the analysts who covers us downgrades our stock or publishes inaccurate or unfavorable research about our business, our stock price would likely decline. If we fail to meet the expectations of analysts for our operating results, our stock price would likely decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, demand for our stock could decrease, which could cause our stock price and trading volume to decline.

The requirements of being a public company may strain our resources and divert management's attention.

As a public company, we will incur significant legal, accounting, insurance and other expenses. We will be subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act and applicable securities rules and regulations. These laws and regulations increase the scope, complexity and cost of corporate governance, reporting and disclosure practices over those of non-public or non-reporting companies. These laws and regulations have different requirements for compliance than we have experienced prior to becoming a public company. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and operating results and maintain effective disclosure controls and procedures and internal control over financial reporting. As a Nasdaq listed company, we will be required to prepare and file proxy materials which meet the requirements of the Exchange Act and the SEC's proxy rules. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly, and increase demand on our systems and resources, particularly after we are no longer an "emerging growth company" as defined in the JOBS Act. In order to maintain, appropriately document and, if required, improve our disclosure controls and procedures and internal control over financial reporting to meet the standards required by the Sarbanes-Oxley Act, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business and operating results. Additionally, any failure by us to file our periodic reports with the FDIC in a timely manner could harm our reputation and cause our investors and potential investors to lose confidence in us, and restrict trading in, and reduce the market price of, our common stock, and potentially impact our ability to access the capital markets.

General Risk Factors

We depend on our executive officers and other key individuals to continue the implementation of our long-term business strategy and could be harmed by the loss of their services and our inability to make up for such loss with qualified replacements.

We believe that our continued growth and future success will depend in large part on the skills of our management team and our ability to motivate and retain these individuals and other key individuals. The loss of any of their service could reduce our ability to successfully implement our long-term business strategy, our business could suffer and the value of our common stock could be materially adversely affected. Leadership changes will occur from time to time and we cannot predict whether significant resignations will occur or whether we will be able to recruit additional qualified personnel. We believe our management team possesses valuable knowledge about the banking industry and that their knowledge and relationships would be very difficult to replicate. Our success also depends on the experience of our bankers and lending officers and on their relationships with the customers and communities they serve. The loss of key personnel, or the inability to recruit and retain qualified and talented personnel in the future, could have an adverse effect on our business, financial condition or operating results.

Our future success also depends on our continuing ability to attract, develop, motivate and retain key employees. Qualified individuals are in high demand, and we may incur significant costs to attract and retain them. Because the market for qualified individuals is highly competitive, we may not be able to attract and retain qualified individuals. Our ability to attract, develop, motivate and retain key employees may be negatively affected by government policies, such as immigration policies and limits on incentive compensation. Failure to attract and retain a qualified management team and qualified key employees could have a material adverse effect on our business, financial condition and results of operations.

Changes in accounting standards could materially impact our financial statements.

From time to time, the Financial Accounting Standards Board ("FASB") or the SEC may change the financial accounting and reporting standards that govern the preparation of our financial statements. Such changes may result in us being subject to new or changing accounting and reporting standards. In addition, the bodies that interpret the accounting standards (such as banking regulators or outside auditors) may change their interpretations or positions on how these standards should be applied. These changes may be beyond our control, are difficult to predict and can materially impact how we record and report our financial condition and results of operations. In some cases, we could be required to apply a new or revised standard retrospectively, or apply an existing standard differently, also retrospectively, in each case resulting in our needing to revise or restate prior period financial statements.

The development and use of artificial intelligence ("AI") present risks and challenges that may adversely impact our business.

We intend to selectively incorporate AI technology in certain business processes, fraud detections, services or products, including technologies that process sensitive financial and/or personal data. For example, as an initial step, we currently use a software product with AI technology to enhance our fraud detection capabilities for our customers' banking activity. We have also selectively employed AI technologies to assist in drafting standardized documents and communications, and to search information on the internet. Furthermore, our third-party vendors, clients or counterparties may develop or incorporate AI technology in their business processes, services or products.

The development and use of AI present a number of risks and challenges to our business. The legal and regulatory environment relating to AI is uncertain and rapidly evolving and includes regulation targeted specifically at AI as well as provisions in intellectual property, privacy, consumer protection, employment and other laws applicable to the use of AI. These evolving laws and regulations could require changes in our implementation of AI technology and increase our compliance costs and the risk of non-compliance, including in relation to data privacy and security requirements under laws such as the GLBA, which mandates the protection of consumer financial information.

AI models, particularly generative AI models, may produce output or take action that is incorrect, that results in the release of private, confidential or proprietary information, that reflects biases included in the data on which they are trained, that produces output that is, or is perceived to be, discriminatory or unfair, that infringes on the intellectual property rights of others, or that is otherwise harmful.

While we have policies prohibiting our employees from using non-approved generative AI applications or websites in our network, there can be no assurances that our employees will adhere to these policies or that such policies will be effective in mitigating the risks associated with using AI technology. Furthermore, although we have not authorized the use of any AI tools with personally identifiable or nonpublic information, employees may intentionally or inadvertently violate our policy by using personally identifiable or nonpublic information, including sensitive client information, with AI technologies.

Because personally identifiable or nonpublic information may be used with such technologies, there is a risk that these technologies generate output that improperly discloses such personally identifiable or nonpublic information. The use of personally identifiable or nonpublic information could result in a violation of certain laws, including data privacy laws and the data privacy and security requirements of the GLBA, exposing us to legal liability or regulatory penalties. In addition, the complexity of many AI models makes it challenging to understand why they are generating particular outputs. This limited transparency increases the challenges associated with assessing the proper operation of AI models, understanding and monitoring the capabilities of the AI models, ensuring adherence to our privacy policies, reducing erroneous output, eliminating bias and discrimination and complying with regulations that require documentation or explanation of the basis on which decisions are made. Further, we may rely on AI models developed by third parties, and, to that extent, would be dependent in part on the manner in which those third parties develop and train their models, including risks arising from the inclusion of any unauthorized material in the training data for their models, and the effectiveness of the steps these third parties have taken to limit the risks associated with the output of their models, matters over which we may have limited visibility.

Any of these risks could expose us to liability or adverse legal or regulatory consequences and harm our reputation and the public perception of our business or the effectiveness of our security measures, which could have an adverse effect on our business, financial condition or results of operations.

Climate change could have a material negative impact on us and our clients.

Concerns over the long-term impacts of climate change have led to governmental efforts to mitigate those impacts. Consumers and businesses also may change their behavior as a result of these concerns. We and our customers will need to respond to new laws and regulations as well as consumer and business preferences resulting from climate change concerns. As a result, we and our customers may face cost increases, asset value reductions and operating process changes. We could face reductions in creditworthiness on the part of some customers or in the value of assets securing loans. Our efforts to take these risks into account in making lending and other decisions, may not be effective in mitigating the negative impacts of new laws, changes in consumer or business behavior or other result of climate change.

Climate change presents multi-faceted risks, including operational risk from the physical effects of climate events on us, our customers and other assets; credit risk from borrowers with significant exposure to climate risk; risks associated with the transition to a less carbon- dependent economy;

and reputational risk from stakeholder concerns about our practices related to climate change, our carbon footprint, and our business relationships with clients who operate in carbon-intensive industries.

The risks associated with climate change are constantly evolving and difficult to assess, but could have a material negative impact on our business, financial condition and results of operations.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering circular contains forward-looking statements within the meaning of the federal securities laws. These forward-looking statements reflect our current views with respect to, among other things, future events and our financial performance. These statements are often, but not always, made through the use of words or phrases such as “may,” “might,” “should,” “could,” “predict,” “potential,” “believe,” “expect,” “continue,” “will,” “anticipate,” “seek,” “estimate,” “intend,” “plan,” “projection,” “goal,” “target,” “outlook,” “aim,” “would,” “annualized” and “outlook,” or the negative version of those words or other comparable words or phrases of a future or forward-looking nature. These forward-looking statements are not historical facts, and are based on current expectations, estimates and projections about our industry, management’s beliefs and certain assumptions made by management, many of which, by their nature, are inherently uncertain and beyond our control. Accordingly, we caution you that any such forward-looking statements are not guarantees of future performance and are subject to risks, assumptions, estimates and uncertainties that are difficult to predict. Although we believe that the expectations reflected in these forward-looking statements are reasonable as of the date made, actual results may prove to be materially different from the results expressed or implied by the forward-looking statements.

A number of important factors could cause our actual results to differ materially from those indicated in these forward-looking statements, including those factors identified in the sections entitled “*Risk Factors*” or “*Management’s Discussion and Analysis of Financial Condition and Results of Operations*” or the following:

- We may suffer losses in our loan portfolio;
- We may not successfully manage our credit risk and the sufficiency of our allowance for credit losses;
- Our focus on lending to small to medium-sized businesses and CRE investors may increase our credit risk;
- A significant portion of our loan portfolio is comprised of CRE loans, creating exposure to negative developments in CRE markets in our market areas;
- The performance of our loan portfolio may be impacted by real estate values, liquidity in our primary market areas and the financial health of our borrowers and other factors;
- We may be affected by business and economic conditions, particularly those affecting the financial services industry and our primary market areas;
- We may be unable to maintain our historical levels of growth;
- We have a geographic concentration of loans in California;
- We rely on independent mortgage bankers to source a significant portion of our loans;
- We have a concentration of loans and deposits among a relatively small number of customers, particularly our concentration of deposits from CCA entities;
- We face risks related to our interest rate hedging activities, including potential defaults by our counterparties and mark-to-market fluctuations;
- We compete with other financial institutions, credit unions, and non-bank financial services companies, many of which are subject to different regulations and taxation than we are;
- We face risks related to interest rate fluctuations, which could have an adverse effect on our profitability;
- We face risks related to potential liquidity issues, including fluctuations in the fair value and liquidity of the securities and loans we hold and our ability to raise additional capital, if necessary;
- We may face disruption, security breaches, or other adverse events affecting us or the third-party vendors who perform several of our critical processing functions;

- We must keep pace with the rate of technological advances and invest in new technologies;
- Our ability to effectively execute our strategic plan and manage our growth;
- External economic and/or market factors, such as changes in monetary and fiscal policies and laws, including the interest rate policies of the Federal Reserve, inflation or deflation, changes in the demand for loans, and fluctuations in consumer spending, borrowing and savings habits, which may have an adverse impact on our financial condition;
- We may face challenges arising from unsuccessful attempts to expand into new geographic markets, products, or services;
- There are restraints on our ability to pay dividends;
- We need to meet capital requirements imposed by banking regulators, which may require us to raise capital at a time when capital is not available on favorable terms or at all;
- We could experience a failure or weakness in the internal controls we have implemented to address the risks inherent to the business of banking;
- Our estimates and assumptions about future events may be inaccurate, which could result in material differences between our financial projections and actual financial performance;
- Our directors, executive officers and greater than 10% shareholders will have the ability to influence significant corporate activities after the completion of this offering and their interests may not coincide with yours;
- Changes in our management personnel or our inability to retain, motivate, and hire qualified management personnel;
- We will face incremental costs and obligations associated with operating as a public company;
- The impact of any claims or legal actions to which we may be subject, including any effect on our reputation;
- Compliance with governmental and regulatory requirements, including the Dodd-Frank Act and others relating to banking, consumer protection, securities and tax matters, and our ability to maintain licenses required in connection with commercial mortgage origination, sale and servicing operations;
- Changes in federal tax law or policy may adversely affect us; and
- We face risks related to this offering.

The foregoing factors should not be construed as exhaustive and should be read together with the other cautionary statements included in this offering circular. Because of these risks and other uncertainties, our actual future results, performance or achievement, or industry results, may be materially different from the results indicated by the forward-looking statements in this offering circular. In addition, our past results of operations are not necessarily indicative of our future results. You should not rely on any forward-looking statements, which represent our beliefs, assumptions and estimates only as of the dates on which they were made, as predictions of future events. Any forward-looking statement speaks only as of the date on which it is made, and we do not undertake any obligation to update or review any forward-looking statement, whether as a result of new information, future developments or otherwise.

MARKET FOR THE COMMON STOCK AND DIVIDEND POLICY

Market Price for the Common Stock

Prior to this offering, our common stock was quoted on the OTCID Basic Market under the symbol "RCBC." Upon completion of the offering, we expect that shares of our common stock will be traded on the Nasdaq Capital Market exchange under the symbol "RCBC." On June 30, 2026, we had approximately 500 record holders of our common stock.

The following table sets forth the high and low bid prices for shares of our common stock for the periods indicated, as obtained from OTC Market Group Inc., and the cash dividends per share we paid each quarter. These reported market quotations reflect inter-dealer prices, without retail mark-up, markdown or commission and may not necessarily represent actual transactions. The prices and dividend amounts have been adjusted to reflect a 10-for-1 stock split completed on December 16, 2025.

Quarter Ending	High	Low	Quarterly Cash Dividend
September 30, 2026 (through August 5, 2026)	$49.55	$42.75	$0.050
June 30, 2026	43.70	40.55	0.050
March 31, 2026	45.55	41.83	0.050
December 31, 2025	$50.00	$38.30	$0.040
September 30, 2025	38.50	33.70	0.040
June 30, 2025	35.00	31.16	0.040
March 31, 2025	36.56	30.06	0.040
December 31, 2024	$33.60	$27.44	$0.037
September 30, 2024	31.98	26.00	0.037
June 30, 2024	29.80	23.50	0.037
March 31, 2024	25.83	22.52	0.037
December 31, 2023	$23.50	$18.90	$0.035
September 30, 2023	22.78	18.40	0.035

Although our shares have been quoted on the OTCID Basic Market, the prices at which such transactions occurred may not necessarily reflect the price that would be paid for our common stock in a more active market. We anticipate that this offering and the listing of our common stock on the Nasdaq Capital Market will result in a more active trading market for our common stock. However, we cannot assure you that a liquid trading market for our common stock will develop or be sustained after this offering. You may not be able to sell your shares quickly or at the market price if trading in our common stock is not active. See section entitled "*Underwriting*" for more information regarding our arrangements with the underwriters.

Dividend Policy

Our shareholders are entitled to receive dividends only when declared by our Board of Directors and out of funds legally available therefore. We intend to continue paying regular quarterly cash dividends on our common stock, when, as and if declared by our Board of Directors out of funds legally available for that purpose and subject to regulatory restrictions. Our Board of Directors has not declared any dividends payable in the future. Any future determination relating to our dividend policy will be made by our Board of Directors and will depend on a number of factors, including general and economic conditions, industry standards, our financial condition and operating results, our available cash and current and anticipated cash needs, capital requirements, our ability to service any debt obligations senior to our common stock, banking regulations, contractual, legal, tax and regulatory restrictions and such other factors as our Board of Directors may deem relevant. Our growth rate, profitability and regulatory capital ratios, in addition to other financial conditions, will be key factors in determining the payment of dividends. We cannot assure you that we will continue to pay dividends to holders of our common stock in the future.

California law limits the amount of dividends we may pay to shareholders without prior approval of the Commissioner. Prior approval of the Commissioner is required to pay dividends which exceed the lesser of (a) our retained earnings or (b) our retained net income for the prior three fiscal years less the amount of any dividends that we have paid to shareholders during such period. FDIC regulations and federal banking laws prohibit us from making any capital distribution unless we will continue to be at least "adequately capitalized" for purposes of federal banking laws after the distribution is made. See section entitled "*Supervision and Regulation—Dividend Restrictions*."

MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations for the three and six months ended June 30, 2026 and June 30, 2025 and for the years ended December 31, 2025 and 2024 should be read in conjunction with the section entitled "Summary Historical Consolidated Financial and Operating Information" and our consolidated financial statements and related notes thereto included elsewhere in this offering circular. Historical results of operations and any trends that may appear, may not indicate results of operations for any future periods.

In addition to historical information, this discussion includes certain forward-looking statements regarding business matters and events and trends that may affect our future results. Comments regarding our business that are not historical facts are considered forward-looking statements that involve inherent risks and uncertainties. Actual results may differ materially from those contained in these forward-looking statements. For additional information regarding our cautionary disclosures, see the section entitled "Cautionary Note Regarding Forward-Looking Statements" beginning on page 51 of this offering circular. For a more complete discussion of the factors that could affect our future results, see the section entitled "Risk Factors" beginning on page 26 of this offering circular.

Overview

The Bank is a California chartered commercial bank, headquartered in Sacramento, California. We provide a broad range of banking products and services to small and medium-sized businesses, professionals, and individuals primarily in California through eight full-service branches in the Sacramento MSA and one loan production office in San Francisco, California. Our primary deposit products are checking, money market, savings, and term certificate accounts, and our primary lending products are CRE, commercial, agriculture, residential mortgage, and consumer loans. Substantially all of our loans are secured by specific items of collateral including commercial and residential real estate properties, business assets, and consumer assets. The Bank's CRE lending market is throughout the Western United States. As of June 30, 2026, we had total assets of $6.0 billion, total loans of $4.7 billion, and total deposits of $5.4 billion.

Critical Accounting Estimates

Our consolidated financial statements and related notes presented in this offering circular have been prepared in accordance with GAAP. Our most significant accounting policies and our critical accounting estimates are described in greater detail in Note 1, Summary of Significant Accounting Policies, in our audited consolidated financial statements. We identified accounting policies and estimates that, due to the difficult, subjective, or complex judgments and assumptions inherent in those policies and estimates and the potential sensitivity of our unaudited consolidated financial statements to those judgments and assumptions, are critical to an understanding of our consolidated financial condition and results of operations. We believe that the judgments, estimates, and assumptions used in the preparation of our financial statements are reasonable and appropriate, based on the information available at the time they were made. Our determination of the provisions to and the adequacy of the allowance for credit losses ("ACL") involves a higher degree of judgment and complexity than our other significant accounting policies. Because of the uncertainty involved in the estimate, materially different amounts could be reported under different assumptions or estimates. Accordingly, we consider the ACL to be a critical accounting estimate.

Allowance for Credit Losses

The ACL represents management's estimate of all expected credit losses over the expected life of the loan portfolio, utilizing a CECL model. The ACL is established through a provision for credit losses charged to operations. Loans are charged against the ACL when management believes that the collectability of the principal is unlikely. Subsequent recoveries of previously charged-off amounts, if any, are credited to the ACL. The ACL is evaluated on a regular basis by management and the evaluation is inherently subjective, as it requires estimates and assumptions that are susceptible to significant revision as more information becomes available.

The ACL is maintained at a level that we believe will be adequate to absorb expected credit losses in future periods associated with our loan portfolio and unfunded loan commitments. Provisions to and the adequacy of the ACL are based on evaluations of the loan portfolio utilizing objective and subjective criteria. The objective criteria primarily include estimated losses that are derived through a model using discounted cash flow methodology to estimate the ACL. Expected cash flows are estimated for each loan and discounted using the contractual terms of the loan, calculated probabilities of default, loss given default, and prepayment estimates as well as qualitative factors. The probability-of-default estimates are generated using a regression model used to estimate the likelihood of a loan being charged-off within the life of the loan. The regression model uses combinations of variables to assess historical loss correlations to economic factors. The model uses a reasonable and supportable economic forecast of two years followed by a systematic reversion to historical losses. Reserves for credit losses identified on a pooled basis are then adjusted for qualitative and other environmental factors with consideration given to the nature and mix of the portfolio, actual and expected changes in international, national, regional and local business and economic conditions that may affect borrowers' ability to pay, concentrations of credit, changes in the experience, ability and depth of lending management and other relevant staff, changes in the Bank's lending policies and procedures, changes in the nature and volume of the portfolio, changes in the underlying collateral valuations, and the effect of external factors such as competition, legal, and regulatory requirements.

For loans that do not share risk characteristics similar to those contained within their respective loan segments, we may perform an individual assessment of the ACL utilizing expected cash flows, collateral values or a combination thereof. We evaluate the underlying collateral on certain collateral dependent loans and, if needed, due to changes in market or property conditions, the underlying collateral is reassessed, and the estimated collateral value is revised. The determination of collateral value includes any adjustments considered necessary related to estimated holding periods, estimated liquidation discounts and estimated selling costs. While an individual assessment and related ACL may be calculated for specific loans, no portion of our ACL is restricted to any individual loan or group of loans, and the entire ACL is available to absorb losses from any and all loans, including unfunded loan commitments.

For the Three and Six Months Ended June 30, 2026 Compared to the Three and Six Months Ended June 30, 2025; and as of June 30 2026 compared to December 31, 2025

Financial Overview

Net income for the three and six months ended June 30, 2026 totaled $19.6 million and $37.6 million, respectively, as compared to net income of $15.4 million and $27.7 million for the three and six months ended June 30, 2025, respectively. Net income for the first six months of 2026 was positively affected by net interest income growth of $3.8 million driven by an expanded balance sheet and higher noninterest income due to positive interest rate swap mark-to-market ("MTM") adjustments of $4.9 million as compared to negative interest rate MTM adjustment of $10.4 million for the six months ended June 30, 2025. These increases were partially offset by an increase in provision for credit losses—loans of $4.7 million and higher noninterest expenses of $2.5 million for the six months ended June 30, 2026.

The following are highlights of our operating and financial performance, and financial condition for the dates and periods presented:

- ***Assets***—Total assets were $6.0 billion as of June 30, 2026, representing an increase of $240.6 million or 4.1%, from $5.8 billion as of December 31, 2025.
- ***Loans***—Total loans were $4.7 billion as of June 30, 2026, an increase of $50.0 million, or 1.1% from $4.6 billion as of December 31, 2025. The increase was driven by growth in the CRE portfolio, though reduced by several significant payoffs.
- ***Credit Quality***—Credit quality remains very strong, with net recoveries of $37,000 for the six months ended June 30, 2026 and net charge-offs of $4,000 for the six months ended

June 30, 2025. The ratio of the allowance for credit losses—loans to total loans was 2.30% and 2.24% as of June 30, 2026 and December 31, 2025, respectively.

- ***Deposits—***Total deposits were $5.4 billion as of June 30, 2026, representing an increase of $226.3 million, or 4.4%, from $5.1 billion as of December 31, 2025. Our loan to deposit ratio was 86.86% as of June 30, 2026, as compared to 89.70% as of December 31, 2025. This increase in total deposits was due to increases in interest-bearing transaction accounts and money market deposits with new and existing significant depositors.
- ***Net Interest Margin—***Net interest margin ("NIM") was 2.36% and 2.54%, for the six months ended June 30, 2026 and June 30, 2025, respectively. The slight compression in the NIM for the first six months of 2026 compared to the first six months of 2025 was primarily due to a faster growth in interest-bearing deposits relative to loan growth, partially offset by a decrease in our cost of funds to 2.76% for the six months ended June 30, 2026 from 2.93% for the six months ended June 30, 2025.
- ***Efficiency Ratio—***Our efficiency ratio was 30.74% for the six months ended June 30, 2026, a decrease from 36.05% for the six months ended June 30, 2025. The decrease in the efficiency ratio in 2026 was primarily due to $4.9 million MTM gains on certain interest rate swaps that do not qualify as fair value hedges under the accounting standards. All the Bank's interest rate swaps are in place to mitigate interest rate risk and none are entered into for speculative purposes. The adjusted efficiency ratios for the six months ended June 30, 2026 and June 30, 2025, were 32.76% and 30.77%, respectively, when removing the impact of the change in fair value of the undesignated derivatives for both periods. Please refer to the section entitled "Non-GAAP Financial Measures" for additional information.
- ***Return on Average Equity—***Return on average equity was 13.50% for the six months ended June 30, 2026, an increase from 11.19% for the six months ended June 30, 2025.
- ***Book Value Per Share—***Book value per share continued to compound in the first six months of 2026, ending at $40.58 per share at June 30, 2026 compared to $38.43 per share as of December 31, 2025. The change reflects our consistent financial performance and compounding of equity.
- ***Capital Ratios.*** All capital ratios were above well-capitalized regulatory thresholds as of June 30, 2026. The Tier 1 leverage ratio was 9.22% as of June 30, 2026, as compared to 9.40% as of December 31, 2025. Our total risk-based capital ratio was 14.44% as of June 30, 2026, as compared to 14.02% as of December 31, 2025. For additional information about the regulatory capital requirements applicable to us, see the section entitled "*—Financial Condition Summary—Capital Adequacy*" below.

ANALYSIS OF RESULTS OF OPERATIONS

Financial Performance

	Three Months Ended		Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
Selected operating data:	($ in thousands, except per share data)			
Interest income	$73,544	$69,327	$145,506	$136,548
Interest expense	38,007	34,988	74,954	69,823
Net interest income	35,537	34,339	70,552	66,725
Provision for (reversal of) credit losses	1,518	—	3,030	(124)
Net interest income after provision for credit losses	34,019	34,339	67,522	66,849
Noninterest income	5,011	(1,762)	8,768	(5,919)
Noninterest expense	11,937	10,913	24,381	21,922
Income before income taxes	27,093	21,664	51,909	39,008
Income tax expense	7,477	6,253	14,347	11,291
Net income	$19,616	$15,411	$ 37,562	$ 27,717
Core pre-provision pre-tax income (1)	$25,433	$25,673	$ 50,032	$ 49,329
Share Data:				
Earnings per share	$ 1.37	$ 1.05	$ 2.60	$ 1.89
Book value per share	$ 40.58	$ 35.61	$ 40.58	$ 35.61
Performance Ratios:				
Return on average assets, annualized	1.28%	1.16%	1.25%	1.05%
Return on average equity, annualized	13.92%	12.22%	13.50%	11.19%
Net interest margin	2.34%	2.59%	2.36%	2.54%
Efficiency ratio	29.44%	33.50%	30.74%	36.05%

(1) Non-GAAP financial measure. Please see the section entitled "—Non-GAAP Financial Measures" for additional information.

	As of		
	June 30, 2026	December 31, 2025	June 30, 2025
Selected balance sheet data:		($ in thousands)	
Total assets	$6,042,514	$5,801,890	$5,322,651
Total loans	4,678,130	4,628,103	4,351,223
Deposits	5,374,670	5,148,329	4,521,132
Total liabilities	5,474,633	5,253,399	4,812,633
Shareholders' equity	567,881	548,491	510,018
Loan to deposit ratio	86.86%	89.70%	96.04%
Asset quality ratios:			
Allowance for credit losses—loans to total loans	2.30%	2.24%	2.33%
Net (recoveries) charge-offs to average loans	0.00%	0.00%	0.00%
Nonperforming loans to total loans	0.00%	0.00%	0.00%
Capital ratios:			
Tier 1 leverage ratio	9.22%	9.40%	9.42%
Tier 1 risk-based capital ratio	13.18%	12.75%	12.45%
Total risk-based capital ratio	14.44%	14.02%	13.71%
Total shareholders' equity to total assets	9.40%	9.45%	9.58%

Average Balances, Interest and Yield/Rate

Net interest income is the most significant contributor to our net income. Net interest income represents interest income from interest earning assets, such as loans and investments, less interest expense on interest-bearing liabilities, such as deposits, and other borrowings, which are used to fund those assets. In evaluating our net interest income, we measure and monitor yields on our interest-earning assets and interest-bearing liabilities as well as trends in our NIM. NIM is a ratio calculated as net interest income divided by total interest-earning assets for the same period. NIM is included on a tax equivalent ("TE") basis by adjusting interest income utilizing the federal statutory tax rate of 21.0% for 2026 and 2025. Changes in the interest rate environment and competition in our markets typically have the largest impact on periodic changes in our NIM.

The following tables present average balance sheet information, interest income, interest expense and the corresponding average yields earned or rate paid for each period reported. The average balances are daily averages.

	Three Months Ended					
	June 30, 2026			June 30, 2025		
	Average Balance	Interest & Fees	Yield / Rate	Average Balance	Interest & Fees	Yield /Rate
	(tax-equivalent basis, $ in thousands)					
Interest-earning assets						
Interest-earning deposits in banks	$ 512,960	$ 4,747	3.71%	$ 315,248	$ 3,332	4.24%
Investment securities (TE)	936,585	8,723	3.74%	694,549	7,091	4.10%
Loans	4,643,971	60,082	5.19%	4,318,463	58,911	5.47%
Total interest-earning assets	6,093,516	73,552	4.84%	5,328,260	69,334	5.22%
Total noninterest-earning assets	33,786			19,308		
Total average assets	$6,127,302			5,347,568		
Interest-bearing liabilities						
Interest-bearing transaction accounts	2,460,332	20,460	3.34%	1,912,085	17,210	3.61%
Money market accounts	1,438,964	11,586	3.23%	944,331	7,822	3.32%
Savings deposits	85,313	103	0.48%	97,355	119	0.49%
Time deposits	603,903	5,572	3.70%	877,579	9,321	4.26%
Total interest-bearing deposits	4,588,512	37,721	3.30%	3,831,350	34,472	3.61%
Borrowings	6	—	NM	4,410	50	4.55%
Other interest-bearing liabilities	81,171	286	1.41%	87,162	465	2.14%
Total interest-bearing liabilities	$4,669,689	$38,007	3.26%	$3,922,922	$34,987	3.58%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	869,041			895,336		
Other noninterest-bearing liabilities	23,466			23,477		
Total noninterest-bearing liabilities	892,507			918,813		
Total average liabilities	5,562,196			4,841,735		
Shareholders' equity	565,106			505,833		
Total liabilities and shareholders' equity	$6,127,302			$5,347,568		
Net interest income		$35,545			$34,347	
NIM			2.34%			2.59%
Cost of deposits	$5,457,553	$37,721	2.77%	$4,726,686	$34,472	2.93%
Cost of funds	$5,538,730	$38,007	2.75%	$4,818,258	$34,987	2.91%

Three months ended June 30, 2026 compared to three months ended June 30, 2025

In the second quarter of 2026, fully-taxable equivalent net interest income increased $1.2 million, or 3.5%, to $35.5 million from $34.3 million in the second quarter of 2025. The increase in interest income was primarily attributable to a $765.3 million growth in average interest-earning asset balances, including average loan growth of $325.5 million, which was partially offset by a 38 basis point decrease in the yield on interest-earning assets.

Interest expense increased by $3.0 million, which was primarily driven by a $746.8 million increase in average interest-bearing liabilities, partially offset by a 32 basis point decline in the cost of interest-bearing liabilities, for the quarter ended June 30, 2026 as compared to quarter ended June 30, 2025. This growth in interest-bearing liabilities was due to deposit growth, which has allowed the Bank to continue providing funding for loan growth and provide competitive rates on deposits.

	Six Months Ended					
	June 30, 2026			June 30, 2025		
	Average Balance	Interest & Fees	Yield / Rate	Average Balance	Interest & Fees	Yield /Rate
	(tax-equivalent basis, $in thousands)					
Interest-earning assets						
Interest-earning deposits in banks	$ 591,321	$ 10,764	3.67%	$ 302,627	$ 6,332	4.22%
Investment securities (TE)	814,760	15,331	3.79%	694,615	14,406	4.18%
Loans	4,618,942	119,424	5.21%	4,306,444	115,826	5.42%
Total interest-earning assets	6,025,023	145,519	4.87%	5,303,686	136,564	5.19%
Total noninterest-earning assets	27,910			21,726		
Total average assets	$6,052,933			$5,325,412		
Interest-bearing liabilities						
Interest-bearing transaction accounts	2,391,516	39,811	3.36%	1,866,069	33,600	3.63%
Money market accounts	1,384,833	22,363	3.26%	966,265	16,038	3.35%
Savings deposits	87,006	210	0.49%	98,668	244	0.50%
Time deposits	647,850	12,134	3.78%	862,118	18,608	4.35%
Interest-bearing deposits	4,511,205	74,518	3.33%	3,793,120	68,490	3.64%
Borrowings	141	3	4.29%	2,493	56	4.53%
Other interest-bearing liabilities	71,151	432	1.22%	103,569	1,277	2.49%
Total interest-bearing liabilities	$4,582,497	$ 74,953	3.30%	$3,899,182	$ 69,823	3.61%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	885,530			901,931		
Other noninterest-bearing liabilities	23,860			24,751		
Total noninterest-bearing liabilities	909,390			926,682		
Total average liabilities	5,491,887			4,825,864		
Shareholders' Equity	561,045			499,548		
Total liabilities and shareholders' equity	$6,052,932			$5,325,412		
Net interest income		$ 70,566			$ 66,741	
NIM			2.36%			2.54%
Cost of deposits	$5,396,735	$ 74,518	2.78%	$4,695,051	$ 68,490	2.94%
Cost of funds	$5,468,027	$ 74,953	2.76%	$4,801,113	$ 69,823	2.93%

Six months ended June 30, 2026 compared to six months ended June 30, 2025

In the first six months of 2026, fully-taxable equivalent net interest income increased $3.8 million, or 5.7%, to $70.6 million from $66.7 million in the first six months of 2025. The $9.0 million increase in interest income was primarily attributable to a $721.3 million growth in average balances of interest-earning assets, including $312.5 million growth in average loans.

Interest expense increased $5.1 million, or 7.4%, which was primarily driven by a $683.3 million increase in average interest-bearing liabilities, partially offset by a 31 basis point decline in the cost of interest-bearing liabilities for the six months ended June 30, 2026 as compared to six months ended June 30, 2025. Total cost of funds decreased to 2.76% for the six months ended June 30, 2026 compared to 2.93% for the same period in 2025. This growth in interest-bearing liabilities was due to deposit growth, which has allowed the Bank to continue providing funding for loan growth and provide competitive rates on deposits.

The following table summarizes the extent to which changes in (1) interest rates and (2) volume of average interest-earning assets and average interest-bearing liabilities affected our net interest income for the periods presented. The total change for each category of interest-earning assets and interest-bearing liabilities is segmented into changes attributable to variations in volume and yield/rate. Changes that are not solely due to either volume or yield/rate have been allocated in proportion to the respective volume and yield/rate components.

	Three Months Ended June 30, 2026 compared with Three Months Ended June 30, 2025			Six Months Ended June 30, 2026 compared with Six Months Ended June 30, 2025		
	Change due to:			Change due to:		
	Volume	Yield/Rate	Interest Variance	Volume	Yield/Rate	Interest Variance
	($ in thousands)					
Interest-earning assets						
Interest-earning deposits in banks	$ 2,092	$ (677)	$ 1,415	$ 6,044	$(1,612)	$ 4,432
Investment securities (TE)	2,473	(841)	1,632	2,497	(1,572)	925
Loans	4,424	(3,253)	1,171	8,405	(4,807)	3,598
Total interest-earning assets	8,989	(4,771)	4,218	16,946	(7,991)	8,955
Interest-bearing liabilities						
Interest-bearing transaction accounts	4,913	(1,663)	3,250	9,424	(3,213)	6,211
Money market accounts	4,088	(324)	3,764	6,944	(619)	6,325
Savings deposits	(14)	(2)	(16)	(30)	(4)	(34)
Time deposits	(2,906)	(843)	(3,749)	(4,637)	(1,837)	(6,474)
Total interest-bearing deposits	6,081	(2,832)	3,249	11,701	(5,673)	6,028
Borrowings	(50)	—	(50)	(53)	—	(53)
Other interest-bearing liabilities	(32)	(147)	(179)	(399)	(446)	(845)
Total interest-bearing liabilities	5,999	(2,979)	3,020	11,249	(6,119)	5,130
Changes in net interest income	$ 2,990	$(1,792)	$ 1,198	$ 5,697	$(1,872)	$ 3,825

Provision for Credit Losses

The provision for credit losses is based on management's assessment of the adequacy of our ACL. Factors impacting the provision include inherent risk characteristics in our loan portfolio, the level of nonperforming loans and net charge-offs, both current and historic, local economic and credit conditions, the direction of the change in collateral values, and the funding probability on unfunded lending commitments. The provision for credit losses is charged against earnings in order to maintain our ACL, which reflects management's best estimate of loan losses over the life of the loan portfolio at the relevant balance sheet date.

Three months ended June 30, 2026 compared to three months ended June 30, 2025

We recorded a $1.5 million provision for credit losses (for both loans and unfunded commitments) for the quarter ended June 30, 2026, compared to no provision for credit losses for the quarter ended June 30, 2025. The increase in the provision for the quarter ended June 30, 2026 is due to loan growth and adjustments made to qualitative factors reflecting changes in economic conditions.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

We recorded a $3.0 million provision for credit losses (for both loans and unfunded commitments) for the six months ended June 30, 2026, compared to a $124,000 reversal of credit losses for the six months ended June 30, 2025. The increase in the provision for the six months ended June 30, 2026 is due to loan growth and adjustments made to qualitative factors reflecting changes in economic conditions.

Noninterest Income

Noninterest income is the secondary contributor to our net income. Noninterest income consists of service charges on deposit accounts, check card revenue, impact of undesignated derivatives, real estate lease income, Federal Home Loan Bank of San Francisco ("FHLB") dividends, net gain on securities and other income.

	Three Months Ended		Increase (Decrease)	
Noninterest income:	**June 30, 2026**	**June 30, 2025**	**$**	**%**
	($ in thousands)			
Service charges on deposit accounts	$ 215	$ 199	$ 16	8.0%
Check card revenue	164	175	(11)	(6.3)%
Net payments received on undesignated derivatives	909	1,372	(463)	(33.7)%
Net changes in the fair value of derivatives	3,178	(4,009)	7,187	NM
Real estate lease income	162	67	95	141.8%
FHLB dividends	187	324	(137)	(42.3)%
Loss on investment securities, net	(42)	(91)	49	NM
Other income	238	201	37	18.4%
Total noninterest income	$5,011	$(1,762)	$6,773	NM

	Six Months Ended		Increase (Decrease)	
Noninterest income:	**June 30, 2026**	**June 30, 2025**	**$**	**%**
	($ in thousands)			
Service charges on deposit accounts	$ 417	$ 388	$ 29	7.5%
Check card revenue	321	354	(33)	(9.3)%
Net payments received on undesignated derivatives	1,844	2,693	(849)	(31.5)%
Net change in the fair value of derivatives	4,907	(10,445)	15,352	NM
Real estate lease income	323	131	192	146.6%
FHLB dividends	947	654	293	44.8%
Loss on investment securities, net	(483)	(91)	(392)	NM
Other income	492	397	95	23.9%
Total noninterest income	$8,768	$ (5,919)	$14,687	NM

Three months ended June 30, 2026 compared to three months ended June 30, 2025

Net payments received on undesignated derivatives—This line item represents the net payments received from counterparties for derivatives not designated as hedges from an accounting perspective.

Net payments received on undesignated derivatives decreased $463,000, in second quarter ended 2026 as compared to second quarter of 2025, primarily due to the reduction in the Secured Overnight Funding Rate (“SOFR”), which is the index to which the Bank’s interest rate swaps are tied.

Net changes in the fair value of derivatives—For interest rate derivatives, for which the Bank does not receive fair value hedge accounting treatment, the fluctuations of the MTM valuations are included in noninterest income. Net changes in the fair value of derivatives not designated as hedges increased $7.2 million in the second quarter of 2026 compared to the second quarter of 2025, reflecting an interest rate swap gain of $3.2 million in the second quarter of 2026 compared to a $4.0 million interest rate swap loss in the second quarter of 2025. These changes were driven by movements in medium- to long-term market interest rates and changes in the shapes of the yield curve at each period end.

FHLB dividends—FHLB dividend income declined by $137,000 in the second quarter of 2026 relative to the same period in 2025 due to changes in the dividend structure by the FHLB, which resulted in lower dividends earned on the Bank’s FHLB stock holdings.

Loss on investment securities, net—Loss on investment securities decreased by $49,000 in the second quarter of 2026 compared to the second quarter of 2025. During the second quarter of 2026, we recognized a $294,000 loss on Small Business Investment Company (“SBIC”) investments for the second quarter of 2026, which included a $300,000 impairment charge related to one poor performing SBIC investment. This loss was partially offset by a $251,000 gain recognized related to Visa Class A common stock (formerly Visa Class B common stock), which the Bank received through a tender offer made by Visa during the second quarter of 2026.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Net payments received on undesignated derivatives—Net payments received on undesignated derivatives decreased $849,000 in the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 primarily due to the reduction in the SOFR index.

Net changes in the fair value of derivatives—Net changes in the fair value of derivatives not designated as hedges increased $15.4 million in the six months ended June 30, 2026 compared to the six months ended June 30, 2025, reflecting an interest rate swap gain of $4.9 million in the six months ended June 30, 2026 compared to a $10.4 million interest rate swap loss in the six months ended June 30, 2025. These changes were driven by movements in medium- to long-term market interest rates and changes in the shapes of the yield curve at each period end.

FHLB dividends—FHLB dividend income rose by $293,000 in the six months ended June 30, 2026 relative to the same period in 2025, driven by a special dividend distributed during the first quarter of 2026, which offset the impact of the change in the dividend structure by the FHLB.

Loss on investment securities—Loss on investment securities increased by $392,000 in the six months ended June 30, 2026 compared to the six months ended June 30, 2025, primarily due to $736,000 in impairment charges recognized on two separate SBIC investments. This loss was partially offset by a $251,000 gain recognized on the sale of Visa Class A common stock (formerly Visa Class B common stock).

Noninterest Expense

Noninterest expense includes salaries and employee benefits, occupancy and equipment, data processing, FDIC insurance and other operating expenses. In evaluating our level of noninterest expense, we closely monitor our efficiency ratio, which is calculated as noninterest expense divided by the sum of net interest income and noninterest income. We seek to identify ways to streamline our business and operate more efficiently in order to minimize our noninterest expense over time while continuing to achieve growth in loans and assets.

Over the past several years, we have continued to invest resources in personnel and technology. As we execute initiatives based on growth, we expect noninterest expense to continue to grow, however, management will continue to be judicious in these investments.

Noninterest expense:	Three Months Ended		Increase (Decrease)	
	June 30, 2026	June 30, 2025	$	%
	($ in thousands)			
Salaries and employee benefits	$ 7,646	$ 7,243	$ 403	5.6%
Occupancy and equipment	594	632	(38)	(6.0)%
Data processing	983	920	63	6.8%
FDIC insurance	720	600	120	20.0%
Other expense	1,994	1,518	476	31.4%
Total noninterest expense	$11,937	$10,913	$1,024	9.4%

Noninterest expense:	Six Months Ended		Increase (Decrease)	
	June 30, 2026	June 30, 2025	$	%
	($ in thousands)			
Salaries and employee benefits	$15,904	$14,671	$1,233	8.4%
Occupancy and equipment	1,234	1,226	8	0.7%
Data processing	1,904	1,794	110	6.1%
FDIC insurance	1,395	1,250	145	11.6%
Other expense	3,944	2,981	963	32.3%
Total noninterest expense	$24,381	$21,922	$2,459	11.2%

Three months ended June 30, 2026 compared to three months ended June 30, 2025

Salaries and employee benefits—The $403,000 increase in salaries and employee benefits in the second quarter of 2026 as compared to the second quarter of 2025 was due primarily to expansion of the Bank's commercial lending and deposit teams, and increases to employer paid insurance and incentive compensation.

Other expenses—The $476,000 increase in other expenses in the second quarter of 2026 as compared to the second quarter of 2025 was primarily due to increases in professional fees in connection with the Bank's preparation for a public offering.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Salaries and employee benefits—The $1.2 million increase in salaries and employee benefits in the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 was due primarily to the continued expansion of the Bank's business development and relationship management teams within commercial lending and deposits, which resulted in higher salary expense. The increase also reflects severance costs for a departed executive, increased employer paid insurance costs and higher incentive compensation.

Other expenses—The $963,000 increase in other expenses in the six months ended June 30, 2026 as compared to the six months ended June 30, 2025 was primarily due to increases in professional fees in connection with the Bank's preparation for a public offering.

Provision for Income Taxes

Three months ended June 30, 2026 compared to three months ended June 30, 2025

Provision for income taxes increased $1.2 million to $7.5 million for the quarter ended June 30, 2026, compared to $6.3 million for the quarter ended June 30, 2025. The increase in the provision for income taxes is due to higher pre-tax income. The effective tax rate was 27.6% and 28.9% for the quarters ended June 30, 2026 and June 30, 2025, respectively.

Six months ended June 30, 2026 compared to six months ended June 30, 2025

Provision for income taxes increased $3.0 million to $14.3 million for the six months ended June 30, 2026, compared to $11.3 million for the six months ended June 30, 2025. The increase in the provision for income taxes is due to higher pre-tax income. The effective tax rate was 27.6% and 28.9% for the six months ended June 30, 2026 and June 30, 2025, respectively.

FINANCIAL CONDITION SUMMARY—JUNE 30, 2026 COMPARED TO DECEMBER 31, 2025

The following discussion compares our financial condition as of June 30, 2026 to our financial condition as of December 31, 2025.

Total Assets

As of June 30, 2026, total assets were $6.0 billion, an increase of $240.6 million, or 4.1% from $5.8 billion as of December 31, 2025. This increase was primarily due to a $311.6 million increase in debt securities, a $50.0 million increase in total loans, offset by a $124.1 million decrease in cash and cash equivalents. This growth in assets was funded by an increase in total deposits of $226.3 million during the first six months of 2026.

Cash and Cash Equivalents

Total cash and cash equivalents were $353.4 million as of June 30, 2026, a decrease of $124.1 million from $477.5 million as of December 31, 2025. The decrease was primarily attributable to the redeployment of excess liquidity from interest-earning deposits into debt securities, as well as the repayment of a $25.0 million Federal Reserve Bank of San Francisco (“FRB”) Discount Window borrowing during the six months ended June 30, 2026.

Investment Portfolio

Our investment portfolio is primarily comprised of U.S. Treasury and government agency securities, mortgage-backed securities, and corporate debt securities, all of which are high credit-quality liquid investments. We manage our investment portfolio according to written investment policies approved by our Board of Directors. Our investment strategy is designed to maximize earnings while maintaining liquidity with minimal credit and interest rate risk. All of our securities are classified as available-for-sale (“AFS”) for all periods shown.

Our total debt securities amounted to $987.0 million as of June 30, 2026, an increase of $311.6 million, or 46.1% from $675.4 million as of December 31, 2025. The increase primarily reflects management’s decision to allocate excess cash to short-term debt securities with more attractive yields rather than maintaining the funds in cash.

The weighted-average life on the total investment portfolio as of June 30, 2026 was 1.31 years compared to a weighted-average life of 1.78 years as of December 31, 2025. The weighted-average life is the average number of years until the principal of the bonds is repaid weighted by the amount of principal that is expected to be paid at each point in time. Management generally keeps the duration of its debt securities short, as a part of the interest rate risk management strategy.

The table below shows our investment securities’ fair value and weighted average yields by maturity in the following maturity groupings as of June 30, 2026. Weighted-average yields are calculations representing income within each maturity range based on the amortized cost of securities, not on a tax-equivalent basis. The fair value of the investment securities portfolio is shown by contractual maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

June 30, 2026	One Year or Less		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total	
	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield
	(dollars in thousands)									
U.S. Treasury securities	$522,050	3.75%	$ 80,153	4.29%	$ —	—%	$ —	—%	$602,203	3.82%
U.S. government sponsored entities and agency securities	109,330	3.72%	25,235	4.02%	376	3.88%	—	—%	134,941	3.78%
Municipal securities	755	3.34%	2,287	2.40%	3,577	4.00%	—	—%	6,619	3.37%
Mortgage-backed securities: residential	25	1.77%	6,822	0.90%	37,101	1.05%	3,624	3.92%	47,572	1.25%
Mortgage-backed securities: commercial	—	0.00%	82,778	4.08%	6,349	4.27%	2,271	4.07%	91,398	4.09%
Collateralized mortgage obligations	4,754	4.11%	52,736	4.07%	1,059	5.92%	10,747	4.04%	69,296	4.10%
Corporate debt securities	—	0.00%	29,276	4.32%	—	—%	—	—%	29,276	4.32%
Asset-backed securities	—	—%	—	—%	—	—%	5,739	4.71%	5,739	4.71%
Total debt securities	$636,914	3.75%	$279,287	4.06%	$48,462	1.82%	$22,381	4.19%	$987,044	3.75%

Loans

Our loan portfolio is our largest class of interest-earning assets and typically provides higher yields than other types of interest-earning assets. Associated with the higher yields is an inherent amount of credit risk, which we attempt to mitigate with comprehensive underwriting standards and proactive ongoing management of the loan portfolio. As of June 30, 2026 and December 31, 2025, our total loans amounted to $4.7 billion and $4.6 billion.

The following table presents the balance and associated percentage of each major loan type within our portfolio as of the dates indicated:

Loans:	As of June 30, 2026 $	As of June 30, 2026 %	As of December 31, 2025 $	As of December 31, 2025 %
	(dollars in thousands)			
Commercial and industrial	$ 154,676	3.3%	$ 183,590	4.0%
Commercial real estate	4,222,001	90.2%	4,144,340	89.5%
Construction and land development	41,763	0.9%	25,760	0.6%
Residential real estate	191,404	4.1%	192,840	4.2%
Agricultural	59,197	1.3%	73,331	1.6%
Consumer	9,089	0.2%	8,242	0.1%
Total loans	4,678,130	100.0%	4,628,103	100.0%
Less: Net deferred loan fees	(9,662)		(9,909)	
Fair value adjustment on hedged loans	(59,727)		(38,540)	
Allowance for credit losses – loans	(107,826)		(103,799)	
Total loans, net	$4,500,915		$4,475,855	

Commercial and industrial—We originate both variable rate and fixed rate C&I loans. The loans are typically made to small- and medium-sized manufacturing, wholesale, retail and service businesses for working capital needs, business expansions and other general borrower needs. C&I loans can be secured or unsecured but are generally secured with the assets of the company and/or the personal guaranty of the business owner(s).

Commercial real estate—CRE loans consist of term loans secured by a mortgage lien on real property, such as multi-family housing, industrial properties, office buildings, retail shopping centers, and self-storage facilities, as well as owner occupied-properties.

Construction and land development—Construction and land development loans primarily consist of commercial property construction, site preparation, and infrastructure development.

Residential real estate—Residential real estate loans consist of single-family residential real estate loans. The underlying collateral can be a primary or secondary residence.

Agricultural—Agricultural loans consist of secured and unsecured loans, lines of credit, and production financing to help clients manage cash flow, invest in equipment, expand operations, and navigate business cycles.

Consumer—Consumer loans include home equity lines of credit or other junior lien credits.

We recognize that our CRE loan concentration is significant within our balance sheet. CRE loan balances as a percentage of total loan balances were 90.2% and 89.5% as of June 30, 2026 and December 31, 2025, respectively.

We believe that our past success is attributable to focusing on products and markets where we have significant expertise. Given our concentration in CRE, we established strong risk management practices over the lending process, including a low financial leverage profile at origination, risk-based lending standards, self-established collateral use and geographical limits, and quarterly stress testing of our CRE portfolio. We have also established a series of internal concentration limits in the loan portfolio for CRE loans by use type (e.g., office, retail, multi-family, etc.) and by geographic area. All loan sectors were within our established limits as of June 30, 2026. We also regularly perform a rigorous portfolio review process with our senior management and the portfolio management team, which results in proactive risk rating changes and actions plans, when necessary. Although we expect to continue growing our loan portfolio, we do not expect our property type or geographic concentrations to materially change. We expect our Office CRE concentration to continue to decline, as we have largely exited the general Office CRE new origination market since the onset of the COVID-19 pandemic.

The following table presents the weighted average LTV ratios at origination for CRE loans by property type as of June 30, 2026:

	Total	% of total	Weighted Average LTV
	(dollars in thousands)		
Non-owner occupied:			
Multifamily	$1,526,743	36.2%	38.54%
Retail	1,031,871	24.4%	39.20%
Industrial	543,528	12.9%	36.02%
Office	435,815	10.3%	43.41%
Mini Storage	230,293	5.5%	35.44%
Special Purpose	98,078	2.3%	34.31%
Hospitality	94,951	2.2%	38.16%
Mobile Home	91,523	2.2%	34.72%
Other	7,561	0.2%	34.98%
Total non-owner occupied:	$4,060,363	96.2%	38.51%
Owner occupied:			
Industrial	$ 86,991	2.1%	47.65%
Office	53,604	1.3%	52.02%
Special Purpose	16,160	0.4%	32.16%
Retail	1,869	0.0%	50.78%
Hospitality	1,864	0.0%	48.00%
Other	1,150	0.0%	53.08%
Total owner-occupied:	$ 161,638	3.8%	47.63%
Total	$4,222,001	100.0%	38.86%

The following table presents the weighted average LTV ratios at origination for CRE loans by state as of June 30, 2026. In recent years, we expanded our CRE lending throughout the Western United States and we expect this expansion to continue to diversify our geographic presence.

	Total	% of total	Weighted Average LTV
	(dollars in thousands)		
Non-owner occupied:			
California	$2,923,609	69.2%	38.05%
Nevada	239,095	5.7%	43.15%
Texas	237,857	5.6%	41.03%
Washington	231,943	5.5%	33.16%
Arizona	178,198	4.2%	38.89%
Idaho	71,618	1.7%	40.59%
Utah	69,685	1.7%	42.40%
Oregon	69,273	1.6%	41.76%
Colorado	19,305	0.4%	46.18%
Other	19,780	0.4%	39.09%
Total non-owner occupied:	$4,060,363	96.0%	38.51%
Owner occupied:			
California	$ 148,310	3.6%	47.59%
Nevada	13,328	0.4%	48.00%
Total owner-occupied:	$ 161,638	4.0%	47.63%
Total	$4,222,001	100.0%	38.86%

The following table presents our loan portfolio by contractual maturities, based on the loan type and loan pricing characteristics (i.e. fixed versus floating) as of June 30, 2026. As is customary in the banking industry, loans that meet our underwriting criteria may be renewed by mutual agreement between the borrower and us. Because we are unable to estimate the extent to which our borrowers will renew their loans, the table is based on contractual maturities as of June 30, 2026. As a result, the data shown below should not be viewed as an indication of future cash flows.

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 15 years	Due after 15 Years	Total
	(dollars in thousands)				
Commercial and industrial					
Fixed rate	$ 1,191	$ 36,360	$ 34,878	$ 4,973	$ 77,402
Floating rate	28,201	49,073	—	—	77,274
Commercial real estate					
Fixed rate	208,361	1,073,315	1,972,876	5,399	3,259,951
Floating rate	4,837	249,125	706,196	1,892	962,050
Construction and land development					
Fixed rate	—	—	—	—	—
Floating rate	—	41,763	—	—	41,763
Residential real estate					
Fixed rate	108	15,560	16,362	159,374	191,404
Floating rate	—	—	—	—	—

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 15 years	Due after 15 Years	Total
	(dollars in thousands)				
Agricultural					
Fixed rate	—	5,136	21,075	—	26,211
Floating rate	16,503	8,200	7,883	400	32,986
Consumer					
Fixed rate	145	530	1,184	1,677	3,536
Floating rate	482	213	245	4,613	5,553
Total loans	$259,828	$1,479,275	$2,760,699	$178,328	$4,678,130
Fixed rate	$209,805	$1,130,901	$2,046,375	$171,423	$3,558,504
Floating rate	50,023	348,374	714,324	6,905	1,119,626
Total loans	$259,828	$1,479,275	$2,760,699	$178,328	$4,678,130

Asset Quality

We manage the quality of our loans based upon trends at the overall loan portfolio level, as well as within each product type. We measure and monitor key factors that include the level and trend of classified, delinquent, nonaccrual, and nonperforming assets, collateral coverage, debt yields, and debt service coverage, where applicable. These metrics directly impact our evaluation of the adequacy of our ACL.

Our primary objective is to maintain a high level of asset quality in our loan portfolio. We believe our underwriting policies and practices, executed by experienced professionals, appropriately govern the risk profile for our loan portfolio. These policies are continually evaluated and updated as necessary. All loans are assessed and assigned a risk classification at origination based on underlying characteristics of the transaction, such as collateral cash flow, collateral coverage, and borrower strength. We believe that we have a comprehensive methodology to proactively monitor our credit quality after the origination process. On an ongoing basis, we monitor underlying tenant activity, collateral usage, payment performance, delinquencies, and tax and property insurance compliance. We design our practices to facilitate the early detection and remediation of problems within our loan portfolio. Assigned risk classifications are an integral part of management's assessment of the adequacy of our ACL. Like other financial institutions, we are subject to the risk that our loan portfolio will be exposed to increasing pressures from deteriorating borrower credit due to significant negative economic conditions and changing interest rates.

Nonperforming Assets

Our nonperforming assets consist of nonperforming loans and foreclosed real estate, if any. Nonperforming loans consist of nonaccrual loans and loans contractually past due by 90 days or more and still accruing. Loans on which the accrual of interest has been discontinued are designated as nonaccrual loans. Accrual of interest on loans is discontinued either when reasonable doubt exists as to the full and timely collection of interest or principal or when a loan becomes contractually past due by 90 days or more with respect to interest or principal. When a loan is placed on nonaccrual status, all interest previously accrued, but not collected, is reversed against current period interest income. Income on such loans is then recognized only to the extent that cash is received and where the future collection of principal is probable. Interest accruals are resumed on such loans only when they are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest.

We had no nonperforming assets and delinquent loans representing 0.03% of total loans as of June 30, 2026 compared to no nonperforming assets and delinquent loans representing 0.02% of total loans as of December 31, 2025. We believe these strong credit metrics for both periods are a testament of our low-leveraged loan profile and prudent and proactive ongoing portfolio monitoring.

Credit Quality Indicators

We utilize a risk grading system for our loans to aid us in evaluating the overall credit quality of our loan portfolio and assessing the adequacy of our ACL. All loans are grouped into a risk category at the time of origination. All loans are reevaluated for proper risk grading as new information such as payment patterns, collateral conditions, and other relevant information comes to our attention.

The banking industry defines loans graded substandard or doubtful as "classified" loans.

The following table presents the risk categories for loans, by type, as of the dates indicated:

June 30, 2026	Pass	Special Mention	Substandard	Doubtful	Total
	(dollars in thousands)				
Commercial and industrial	$ 138,785	$ 6,996	$ 8,895	$ —	$ 154,676
Commercial real estate	4,142,463	47,057	32,481	—	4,222,001
Construction and land development	41,763	—	—	—	41,763
Residential real estate	191,404	—	—	—	191,404
Agricultural	59,197	—	—	—	59,197
Consumer	9,089	—	—	—	9,089
Total loans	$4,582,701	$54,053	$41,376	$ —	$4,678,130

December 31, 2025	Pass	Special Mention	Substandard	Doubtful	Total
	(dollars in thousands)				
Commercial and industrial	$ 167,587	$ 8,073	$ 7,930	$ —	$ 183,590
Commercial real estate	4,056,095	40,703	47,542	—	4,144,340
Construction and land development	16,760	9,000	—	—	25,760
Residential real estate	192,840	—	—	—	192,840
Agricultural	73,331	—	—	—	73,331
Consumer	8,242	—	—	—	8,242
Total loans	$4,514,855	$57,776	$55,472	$ —	$4,628,103

Allowance for Credit Losses

The ACL is established through a provision for credit losses charged to operations. Charge-offs are recorded against the ACL when management believes that the collectability of the principal is unlikely. Subsequent recoveries of previously charged-off amounts, if any, are credited to the ACL.

The ACL—loans is evaluated on a regular basis by management and is based on management's assessment of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

As of June 30, 2026, our ACL—loans was $107.8 million, compared to $103.8 million as of December 31, 2025. The increase in the allowance in the first six months of 2026 is due to a $4.0 million provision for credit losses—loans and $37,000 of recoveries with no charge-offs.

As of June 30, 2026, our ACL—unfunded commitments was $1.6 million, compared to $2.6 million as of December 31, 2025. The $960,000 decrease in the allowance for unfunded commitments reflects construction loan commitments that were funded during the six months ended June 30, 2026, and therefore moved into the outstanding loan portfolio. The ACL—unfunded commitments is included in "Other liabilities" in the consolidated balance sheets. Provisions for unfunded loan commitments are included in "Provision for credit losses—unfunded commitments" in the consolidated Statements of Income.

The following table presents management's allocation of our ACL by loan type, and the balance of loans in each type as a percentage of total loans, for the periods indicated:

	As of June 30, 2026			As of December 31, 2025		
	$	ACL—Loans as a % of Loan Type	% of Total ACL—Loans	$	ACL—Loans as a % of Loan Type	% of Total ACL—Loans
	(dollars in thousands)					
Commercial and industrial	6,777	4.38%	6.3%	$ 7,241	3.94%	7.0%
Commercial real estate	93,543	2.22%	86.8%	89,787	2.17%	86.4%
Construction and land development	3,623	8.68%	3.4%	2,660	10.33%	2.6%
Residential real estate	2,520	1.32%	2.3%	2,537	1.32%	2.4%
Agricultural	1,202	2.03%	1.1%	1,414	1.93%	1.4%
Consumer	161	1.77%	0.1%	160	1.94%	0.2%
ACL—loans	$107,826	2.30%	100.0%	$103,799	2.24%	100.0%

The following table presents information on the activity within the allowance for credit losses as of and for the periods indicated:

	For the Three Months Ended June 30,		For the Six Month Ended June 30,	
	2026	2025	2026	2025
	(dollars in thousands)			
Allowance for Credit Losses—Loans				
Balance, beginning of period	$ 105,471	$ 101,381	$ 103,799	$ 102,163
Charge-offs:				
Consumer	—	—	—	(40)
Total charge-offs	—	—	—	(40)
Recoveries:				
Consumer	37	—	37	2
Commercial & industrial	—	34	—	34
Total recoveries	37	34	37	36
Net recoveries (charge-offs)	37	34	37	(4)
Provision for (reversal of) credit losses—loans	2,318	—	3,990	(744)
Balance, end of period	$ 107,826	$ 101,415	$ 107,826	$ 101,415
Allowance for Credit Losses—Unfunded Commitments				
Balance at beginning of period	$ 2,400	$ 2,835	$ 2,560	$ 2,215
Provision for (reversal of) credit losses—unfunded commitments	(800)	—	(960)	620
Balance at the end of period	$ 1,600	$ 2,835	$ 1,600	$ 2,835
Total allowance for credit losses	$ 109,426	$ 104,250	$ 109,426	$ 104,250
Total loans at end of period	$4,678,130	$4,351,223	$4,678,130	$4,351,223
Net (recoveries) charge-offs to average loans	(0.00)%	(0.00)%	(0.00)%	0.00%
Allowance for credit losses—loans to total loans	2.30%	2.33%	2.30%	2.33%

Total Liabilities

During the second quarter of 2026, total liabilities increased $221.2 million, or 4.2%, to $5.5 billion as of June 30, 2026 from $5.3 billion as of December 31, 2025. This increase was primarily driven by growth in total deposits of $226.3 million and a $23.0 million increase in cash collateral held related to derivatives, partially offset by the repayment of $25.0 million of FRB discount window borrowings. The increase in total deposits during the first six months of 2026 allowed the Bank to continue to increase loans, while maintaining a strong liquidity profile. There was change in the deposit composition mix due to depositors increasing their usage of our fully-insured interest-bearing demand deposit product and reducing their exposure to longer-term time deposits.

Deposits

Representing 98.2% of our total liabilities as of June 30, 2026, deposits are our primary source of funding for our business operations.

Total deposits were $5.4 billion as of June 30, 2026, an increase of $226.3 million, or 4.4%, from $5.1 billion as of December 31, 2025. Deposit increases were primarily attributable to increases in interest-bearing demand deposits in response to the prevailing rate environment. Noninterest-bearing deposits decreased $107.5 million in the first six months of 2026 to $825.3 million, and represented 15.4% of total deposits as of June 30, 2026, compared to 18.1% of total deposits as of December 31, 2025. Our loan to deposit ratio was 86.86% as of June 30, 2026, compared to 89.70% as of December 31, 2025. We closely monitor the loan to deposit ratio for purposes of both operational objectives and managing liquidity risk. The loan to deposit ratio is measured as total loans, net of deferred loan fees, divided by total deposits.

The following table presents the composition of our deposit portfolio by account type as of the dates indicated:

	June 30, 2026		December 31, 2025	
Deposits:	$	%	$	%
	(dollars in thousands)			
Noninterest-bearing demand deposits:	$ 825,271	15.4%	$ 932,804	18.1%
Interest-bearing deposits:				
Interest-bearing transaction accounts	2,428,866	45.2%	2,185,987	42.5%
Money market	1,416,955	26.4%	1,177,273	22.9%
Savings	84,606	1.6%	89,915	1.7%
Time deposits	618,972	11.4%	762,350	14.8%
Total interest-bearing deposits	4,549,399	84.6%	4,215,525	81.9%
Total deposits	$5,374,670	100.0%	$5,148,329	100.0%

The following table summarizes our deposit composition by average deposits and average rates paid for the periods indicated:

	For the Three Months Ended June 30, 2026		For the Six Months Ended June 30, 2026	
	Average Balance	Weighted Average Rate (%)	Average Balance	Weighted Average Rate (%)
	(dollars in thousands)			
Noninterest-bearing demand deposits	$ 869,041	—	$ 885,530	—
Interest-bearing deposits:				
Interest-bearing transaction accounts	2,460,332	3.34%	2,391,516	3.36%
Money market	1,438,964	3.23%	1,384,833	3.26%
Savings	85,313	0.48%	87,006	0.49%
Time deposits	603,903	3.70%	647,850	3.78%
Total interest-bearing deposits	4,588,512	3.30%	4,511,205	3.33%
Total deposits	$5,457,553	2.77%	$5,396,735	2.78%

As of June 30, 2026, our 20 largest deposit relationships, each accounting for more than $35.0 million of deposits, totaled $2.8 billion, or 52.9% of our total deposits. As of December 31, 2025, our 20 largest deposit relationships, each accounting for more than $35.0 million of deposits, totaled $2.7 billion, or 52.7% of our total deposits.

The Bank is a member of deposit placement networks that qualify large deposits for FDIC insurance. These reciprocal deposit structures offer protection to depositors by fully insuring deposits with other network banks.

Estimated uninsured and uncollateralized deposits totaled approximately $865.8 million, or 16.1%, of total deposits, as of June 30, 2026 and $848.4 million, or 16.5% of total deposits, as of December 31, 2025.

Estimated uninsured time deposits totaled approximately $97.3 million as of June 30, 2026 and $181.4 million as of December 31, 2025.

The following table sets forth the maturity of time deposits and the balance of time deposits that exceed the FDIC insurance limit of $250,000 as of June 30, 2026.

	$250,000 and under	Greater than $250,000	Total	Uninsured Portion
	(dollars in thousands)			
Remaining maturity:				
3 months or less	$10,507	$308,357	$318,864	$61,622
Over 3 months through 6 months	7,172	101,844	109,016	23,834
Over 6 months through 12 months	12,864	118,552	131,416	11,076
Over 12 months	2,325	57,351	59,676	726
Total	$32,868	$586,104	$618,972	$97,258

FHLB Advances and Other Borrowings

From time to time, we utilize short-term collateralized FHLB advances to maintain adequate liquidity. There were no advances outstanding as of June 30, 2026 and December 31, 2025.

We had no outstanding FRB Discount Window borrowings as of June 30, 2026 and $25.0 million as of December 31, 2025, respectively.

Shareholders' Equity

As of June 30, 2026, shareholders' equity totaled $567.9 million, an increase of $19.4 million, or 3.5%, from $548.5 million as of December 31, 2025. The increase was primarily due to net income of $37.6 million, partially offset by common stock repurchases of $13.5 million, a decrease of accumulated other comprehensive income of $4.3 million, and common stock cash dividends paid of $1.5 million.

Liquidity and Capital Resources

Overview

The goal for managing our assets and liabilities is to maximize shareholder value and earnings while maintaining a high-quality balance sheet without exposing the Bank to undue interest rate risk. The Board of Directors has overall responsibility for our interest rate risk management policies. Our Asset/Liability Committee ("ALCO") has primary responsibility for oversight of, among other responsibilities, our liquidity, asset/liability (interest rate risk) position, capital and our investment portfolio functions.

Liquidity risk is the potential that we will be unable to meet our obligations as they come due because of an inability to obtain adequate funding at a reasonable cost or liquidate assets. Our cash obligations require us to have cash flow that is adequate to fund loan growth and maintain on-balance sheet liquidity while meeting present and future obligations of deposit withdrawals, borrowing maturities, and other contractual cash obligations. In managing our cash flows, management regularly confronts situations that can give rise to increased liquidity risk. These include funding mismatches, market constraints in accessing sources of funds, and the ability to convert assets into cash. Changes in economic conditions or exposure to borrower credit quality, capital markets, and operational, legal, or reputational risks could also affect our liquidity risk profile and are considered in the assessment of liquidity management.

We continually monitor our liquidity position in order to meet all reasonably foreseeable short-term, long-term, and strategic liquidity demands. Management has established a comprehensive process for identifying, measuring, monitoring, and controlling liquidity risk. Because of its critical importance to the viability of the Bank, liquidity risk management is fully integrated into our risk management processes. Critical elements of our liquidity risk management include effective corporate governance, consisting of oversight by the Board of Directors and active involvement by management; appropriate strategies, policies, procedures, and limits used to manage and mitigate liquidity risk; comprehensive liquidity risk measurement and monitoring systems, including stress tests, that are commensurate with the complexity of our business activities; active management of intraday liquidity and collateral; an appropriately diverse mix of existing and potential future funding sources; adequate levels of highly liquid marketable securities free of legal, regulatory, or operational impediments that can be used to meet liquidity needs in stress situations; comprehensive contingency funding plans that sufficiently address potential adverse liquidity events and emergency cash flow requirements; and internal controls and internal audit processes sufficient to determine the adequacy of our liquidity risk management process.

Liquidity Management

We manage liquidity based upon factors that include the level of diversification of our funding sources, the composition of our deposit types, the availability of unused funding sources, our off-balance sheet obligations, the amount of cash and liquid securities we hold, and the availability of assets to be readily converted into cash without undue loss.

Our liquidity position is supported by management of our liquid assets and liabilities and access to alternative sources of funds. Our liquidity requirements are met primarily through our deposits, FRB Discount Window borrowings, FHLB advances, Fed Funds lines of credit with correspondent banks, wholesale brokered deposits and the principal and interest payments we receive on loans and investment securities. Cash on hand, cash at correspondent banks, AFS investments, and maturing or prepaying balances in our investment and loan portfolios are our internal sources of liquidity.

Total liquidity (consisting of cash and cash equivalents, unpledged available-for-sale investment securities, and unused and immediately available borrowing capacity) was approximately $2.9 billion as of June 30, 2026. This does not include the Bank's ability to obtain wholesale brokered deposits.

	June 30, 2026			
	Line of Credit	Outstanding Borrowings	Letters of Credit Issued	Total
	(dollars in thousands)			
FHLB	$1,564,263	$ —	$700,000	$ 864,263
FRB Discount Window	1,261,315	—	—	1,261,315
Federal Funds Lines	75,000	—	—	75,000
Unpledged investment securities	—	—	—	368,903
Cash and cash equivalents	—	—	—	353,369
Total	$2,900,578	$ —	$700,000	$2,922,850

FHLB

We maintain a collateralized line of credit with the FHLB. Based on the FHLB stock requirements and the collateral amount pledged as of June 30, 2026, this line provided for maximum borrowing capacity of $1.6 billion of which there were no outstanding advances and $700.0 million was utilized for letters of credit, which are used as collateral for public fund deposits. As of December 31, 2025, this line provided for maximum borrowing capacity of $1.5 billion of which there were no outstanding advances and $825.0 million was utilized for letters of credit. We pledged certain loans of approximately $2.2 billion under a blanket lien arrangement to collateralize the line of credit with the FHLB as of June 30, 2026 and December 31, 2025.

FRB Discount Window

We maintain a collateralized line of credit with the FRB Discount Window secured by certain pledged loans and securities. As of June 30, 2026 and December 31, 2025, this line provided for maximum borrowing capacity of $1.3 billion and $1.2 billion, respectively, of which none was outstanding as of June 30, 2026 and $25.0 million was outstanding as of December 31, 2025. We pledged certain loans of approximately $1.8 billion and $1.8 billion to the FRB as of June 30, 2026 and December 31, 2025. There were $1.7 million in securities pledged as of June 30, 2026 and $0 as of December 31, 2025.

Correspondent Bank Lines of Credit

As of June 30, 2026 and as of December 31, 2025, the unused and maximum borrowing capacity from correspondent bank lines of credit was $75.0 million.

Capital Adequacy

We use various measures to track and evaluate our capital adequacy with consideration given to our overall financial condition, our asset quality, our level of allowance for credit losses, our geographic and industry concentrations, and other risk factors on our balance sheet, including interest rate sensitivity.

We are subject to various regulatory capital requirements administered by the federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a material effect on our shareholder value.

Under federal regulations implementing the Basel III framework, we are subject to minimum risk-based and leverage capital requirements. We are also subject to regulatory thresholds that must be met for an insured depository institution to be classified as "well-capitalized" under the prompt corrective action framework. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, we must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items, as calculated under regulatory accounting practices. Capital amounts for us, and our prompt corrective action classification, are also subject to qualitative judgments by the regulators about components of capital, risk weightings, and other factors. As of June 30, 2026, we were in compliance with all applicable regulatory capital requirements, and we were qualified as "well-capitalized" under the prompt corrective action framework.

Management reviews capital ratios on a regular basis to ensure that capital exceeds the prescribed regulatory minimums and is adequate to meet our anticipated future needs. For all periods presented, our ratios exceed the regulatory definition of "well-capitalized" under the regulatory framework for prompt corrective action.

	Ratio at June 30, 2026	Ratio at December 31, 2025	Minimum Requirement for "Well Capitalized" Depository Institution
Total Capital (to risk-weighted assets)	14.44%	14.02%	10.00%
Tier 1 Capital (to risk-weighted assets)	13.18%	12.75%	8.00%
Common Equity Tier 1 (to risk-weighted assets)	13.18%	12.75%	6.50%
Tier 1 Leverage (to average assets)	9.22%	9.40%	5.00%

Contractual Obligations

Our estimated future contractual obligations as of June 30, 2026 include both current and long-term obligations. The following table contains supplemental information regarding our total contractual obligations at June 30, 2026:

	Due				
	Within One Year	One to Three Years	Three to Five Years	After Five Years	Total
	(dollars in thousands)				
Time deposits	$559,296	$59,311	$365	$ —	$618,972
Leases	483	397	322	162	1,364
Total contractual obligations	$559,779	$59,708	$687	$162	$620,336

Off-Balance Sheet Arrangements

We have limited off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

In the ordinary course of business, we enter into financial commitments to meet the financing needs of our customers. These financial commitments include commitments to extend credit, and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk. Such off-balance sheet commitments totaled $510.0 million and $506.2 million as of June 30, 2026 and December 31, 2025.

The following table contains information regarding our off-balance sheet arrangements as of the dates indicated:

	June 30, 2026	December 31, 2025
	(dollars in thousands)	
Commitments to extend credit	$479,088	$474,819
Standby letters of credit	30,940	31,421
Total	$510,028	$506,240

Commitments to extend credit are agreements to lend to customers. These commitments have specified interest rates and generally have fixed expiration dates but may be terminated by us if certain conditions of the contract are violated. Although currently subject to drawdown, some of these commitments may expire or terminate without funding. Therefore, the total commitment amounts do not necessarily represent future cash requirements. Collateral held relating to these commitments varies. For secured loans, it generally includes real estate, accounts receivable and personal property.

Standby letters of credit are conditional commitments issued by us to guarantee the performance of a customer to a third party. Credit risk arises in these transactions from the possibility that a customer may not be able to repay us upon default of performance. Collateral held for standby letters of credit is based on an individual evaluation of each customer's credit worthiness but may include real estate and cash.

Our exposure to loan loss in the event of nonperformance on these financial commitments is represented by the contractual amount of those instruments. We use the same credit policies in making commitments as it does for loans reflected in the financial statements.

In addition, periodically, we invest in qualified affordable housing projects. Pursuant to these investments, we commit to an investment amount to be fulfilled in future periods. Such unfunded commitments totaled $187,000 as of June 30, 2026 and December 31, 2025. The Bank accounts for these investments using the proportional amortization method.

As of and for the Year Ended December 31, 2025 Compared to the Year Ended December 31, 2024

Financial Overview

Net income for the year ended December 31, 2025 totaled $68.4 million as compared to net income of $73.4 million for the year ended December 31, 2024. Net income for 2025 was positively affected by net interest income growth of $5.8 million driven by an expanded balance sheet and a reduction in provision for credit losses—loans of $4.5 million in connection with stabilization in the CRE loan portfolio. These increases were more than offset by lower non-interest income due to negative interest rate swap mark-to-market adjustments of $10.2 million and higher non-interest expenses of $4.4 million, which were primarily due to investments in staffing, infrastructure and increased expenses related to preparing for this offering.

The following are highlights of our operating and financial performance, and financial condition for the dates and periods presented:

- ***Assets—***Total assets were $5.8 billion at December 31, 2025, representing an increase of $658.4 million or 12.8%, from $5.1 billion at December 31, 2024.
- ***Loans—***Total loans were $4.6 billion at December 31, 2025, an increase of $353.8 million, or 8.3% from $4.3 billion at December 31, 2024. This increase was due to increased loan originations in the C&I and CRE loan portfolio.
- ***Credit Quality—***Credit quality remains strong, with zero nonaccrual loans, at both December 31, 2025 and 2024 and net charge-offs of $4,000 and net recoveries of $3,000 for

the years ended December 31, 2025 and 2024, respectively. The ratio of the allowance for credit losses—loans to total loans was 2.24% and 2.39% at December 31, 2025 and 2024, respectively.

- ***Deposits—***Total deposits were $5.1 billion at December 31, 2025, representing an increase of $693.8 million, or 15.6%, from $4.5 billion at December 31, 2024. Our loan to deposit ratio was 89.70% at December 31, 2025, as compared to 95.74% at December 31, 2024. This increase in total deposits was due to increases in interest-bearing transaction accounts and money market deposits.

- ***Net Interest Margin—***Net interest margin was 2.62% and 2.66%, for the years ended December 31, 2025, and 2024, respectively. The slight compression in net interest margin for 2025 compared to 2024 was primarily due to a decrease in the yield on interest earning assets to 5.19% for the year ended December 31, 2025 from 5.43% for the year ended December 31, 2024, as the FRB cut rates during late 2024 and 2025. This decrease in the yield on average earning assets was partially offset by a decrease in our cost of funds to 2.85% for the year ended December 31, 2025 from 3.04% for the year ended December 31, 2024.

- ***Efficiency Ratio—***Our efficiency ratio was 31.42% for the year ended December 31, 2025, an increase from 26.50% for the year ended December 31, 2024. The increase in the efficiency ratio in 2025 was primarily due to $10.2 million mark-to-market losses on certain interest rate swaps that do not qualify as fair value hedges under the accounting standards. All the Bank's interest rate swaps are in place to mitigate interest rate risk and none are entered into for speculative purposes. The adjusted efficiency ratios for the years ended December 31, 2025 and 2024, were 29.32% and 26.73%, respectively, when removing the impact of the change in fair value of the free-standing derivatives for both periods. Please refer to the section entitled "Non-GAAP Financial Measures" for additional information.

- ***Return on Average Equity—***Return on average equity was 13.31% for the year ended December 31, 2025, a decrease from 16.34% for the year ended December 31, 2024.

- ***Book Value Per Share***—Book value per share continued to compound during the year, ending at $38.43 at December 31, 2025 compared to $33.65 at December 31, 2024. The change reflects our consistent financial performance throughout 2025.

- ***Capital Ratios.*** All capital ratios were above well-capitalized regulatory thresholds as of December 31, 2025. The Tier 1 leverage ratio was 9.40% at December 31, 2025, as compared to 9.12% at December 31, 2024. Our total risk-based capital ratio was 14.02% at December 31, 2025, as compared to 13.52% at December 31, 2024. For additional information about the regulatory capital requirements applicable to us, see the section entitled "*—Financial Condition Summary—Capital Adequacy*" below.

ANALYSIS OF RESULTS OF OPERATIONS

Financial Performance

	For the year ended December 31, 2025	For the year ended December 31, 2024
	(dollars in thousands, except per share data)	
Selected operating data:		
Interest income	$282,933	$279,136
Interest expense	140,429	142,449
Net interest income	142,504	136,687
Provision for credit losses—loans	1,640	6,109
Provision for credit losses—unfunded commitments	345	1,430
Net interest income after provision for credit losses	140,519	129,148
Non-interest income	(949)	14,598
Non-interest expense	44,479	40,091
Income before income taxes	95,091	103,655
Income tax expense	26,676	30,256
Net income	$ 68,415	$ 73,399
Core pre-provision pre-tax income (1)	$107,231	$109,873
Share data		
Earnings per common share	$ 4.69	$ 4.99
Book value per common share	38.43	33.65
Performance ratios		
ROAA	1.25%	1.42%
ROAE	13.31%	16.34%
Net interest margin	2.62%	2.66%
Efficiency ratio (1)	31.42%	26.50%

	As of December 31, 2025	As of December 31, 2024
Selected balance sheet data:		
Total assets	$5,801,890	$5,143,528
Total loans	4,628,103	4,274,257
Deposits	5,148,329	4,454,529
Total liabilities	5,253,399	4,658,788
Shareholders' equity	548,491	484,740
Loan to deposit ratio	89.70%	95.74%
Asset quality ratios:		
Allowance for credit losses—loans to total loans	2.24%	2.39%
Net charge-offs (recoveries) to average loans	0.00%	0.00%
Nonperforming loans to total loans	0.00%	0.00%
Capital ratios:		
Tier 1 leverage ratio	9.4%	9.1%
Tier 1 risk-based capital ratio	12.8%	12.3%
Total risk-based capital ratio	14.0%	13.5%
Total shareholders' equity to total assets	9.5%	9.4%

(1) Non-GAAP financial measure. Please see the section entitled "—Non-GAAP Financial Measures" for additional information.

Average Balances, Interest and Yield/Rate

Net interest income is the most significant contributor to our net income. Net interest income represents interest income from interest earning assets, such as loans and investments, less interest expense on interest-bearing liabilities, such as deposits, and other borrowings, which are used to fund those assets. In evaluating our net interest income, we measure and monitor yields on our interest-earning assets and interest-bearing liabilities as well as trends in our net interest margin. Net interest margin is a ratio calculated as net interest income divided by total interest-earning assets for the same period. Net interest margin is included on a TE basis by adjusting interest income utilizing the federal statutory tax rate of 21.0% for 2025 and 2024. Changes in the interest rate environment and competition in our markets typically have the largest impact on periodic changes in our net interest margin.

The following tables present average balance sheet information, interest income, interest expense and the corresponding average yields earned or rate paid for each period reported. The average balances are daily averages.

	Year Ended December 31,					
	2025			2024		
	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate
	(tax-equivalent basis, dollars in thousands)					
Interest-earning assets						
Interest-earning deposits in banks	$ 365,939	$ 14,992	4.10%	$ 472,099	$ 24,430	5.17%
Investment securities (TE)	696,243	28,317	4.07%	724,807	32,448	4.48%
Loans	4,386,750	239,653	5.46%	3,940,834	222,286	5.64%
Total interest-earning assets	5,448,932	282,962	5.19%	5,137,740	279,164	5.43%
Total noninterest-earning assets	20,136			28,398		
Total average assets	$5,469,068			$5,166,138		
Interest-bearing liabilities						
Interest-bearing transaction accounts	$1,926,155	$ 68,768	3.57%	$1,609,677	$ 59,132	3.67%
Money market accounts	1,017,250	33,752	3.32%	997,506	34,827	3.49%
Savings deposits	95,846	480	0.50%	108,385	520	0.48%
Time deposits	844,762	35,717	4.23%	847,736	42,647	5.03%
Interest-bearing deposits	3,884,013	138,717	3.57%	3,563,304	137,126	3.85%
Borrowings	1,378	62	4.50%	13,942	685	4.91%
Other interest-bearing liabilities	82,900	1,649	1.99%	128,223	4,637	3.62%
Total interest-bearing liabilities	3,968,291	140,428	3.54%	3,705,469	142,448	3.84%
Noninterest-bearing liabilities						
Noninterest-bearing deposits	962,287			982,260		
Other noninterest-bearing liabilities	24,521			29,086		

	Year Ended December 31,					
	2025			2024		
	Average Balance	Interest & Fees	Yield/Rate	Average Balance	Interest & Fees	Yield/Rate
	(tax-equivalent basis, dollars in thousands)					
Total noninterest-bearing liabilities	986,808			1,011,346		
Total average liabilities	4,955,099			4,716,815		
Shareholders' equity	513,969			449,323		
Total liabilities and shareholders' equity	$5,469,068			$5,166,138		
Net interest income (TE)		$142,534			$136,716	
YTD Net interest margin (TE)			2.62%			2.66%
Cost of funds	$4,930,578	$140,428	2.85%	$4,687,729	$142,448	3.04%
Cost of deposits	4,846,300	138,717	2.86%	4,545,564	137,126	3.02%

The following table summarizes the extent to which changes in (1) interest rates and (2) volume of average interest-earning assets and average interest-bearing liabilities affected our net interest income for the periods presented. The total change for each category of interest-earning assets and interest-bearing liabilities is segmented into changes attributable to variations in volume and yield/rate. Changes that are not solely due to either volume or yield/rate have been allocated in proportion to the respective volume and yield/rate components.

	Year Ended December 31, 2025 Compared with Year Ended December 31, 2024		
	Change due to:		Interest Variance
	Volume	Yield/Rate	
	(dollars in thousands)		
Interest-earning assets			
Interest-earning deposits in banks	$ (4,915)	$ (4,523)	$ (9,438)
Investment securities (TE)	(1,244)	(2,887)	(4,131)
Loans	24,613	(7,246)	17,367
Total interest-earning assets	$18,454	$(14,656)	$ 3,798
Interest-bearing liabilities			
Interest-bearing transaction accounts	$11,291	$ (1,655)	$ 9,636
Money market accounts	669	(1,744)	(1,075)
Savings deposits	(61)	21	(40)
Time deposits	(150)	(6,780)	(6,930)
Interest-bearing deposits	11,749	(10,158)	1,591
Borrowings	(570)	(53)	(623)
Other interest-bearing liabilities	(1,314)	(1,674)	(2,988)
Total interest-bearing liabilities	$ 9,865	$(11,885)	$ (2,020)
Changes in net interest income	$ 8,589	$ (2,771)	$ 5,818

In the year ended December 31, 2025, we generated fully-taxable equivalent net interest income of $142.5 million, an increase of $5.8 million, or 4.3%, from $136.7 million in 2024. The $5.8 million increase was due to a $3.8 million increase in interest income, combined with a $2.0 million decrease in interest expense. The increase in interest income was mostly due to higher interest income on total loans of $17.4 million, offset by lower interest income on interest-earning deposits in banks of

$9.4 million due to lower cash balances and rate reductions by the FRB. The increase in loan interest income was mostly due to a $445.9 million, or 11.3%, higher average total loan balance, offset by an 18 basis point decline in the average yield on loans compared to 2024, as the cash settlements of fair value hedge interest rate swaps decreased in line with FRB rate reductions. The $9.4 million, or 38.6%, decrease in interest-earning deposits in banks resulted from a $106.2 million lower average balance, combined with a 107 basis point decrease as the interest we earned at the FRB declined.

In the year ended December 31, 2025, interest expense decreased $2.0 million, or 1.42%, to $140.4 million from $142.5 million in 2024. The $2.0 million decrease in interest expense was mostly due to a 30 basis point decrease in the cost of interest-bearing liabilities, partially offset by a $262.8 million increase in average interest-bearing liabilities for the year ended December 31, 2025 as compared to 2024 as we grew deposits and remained competitive on deposit rates.

Provision for Credit Losses

The provision for credit losses is based on management's assessment of the adequacy of our ACL. Factors impacting the provision include inherent risk characteristics in our loan portfolio, the level of nonperforming loans and net charge-offs, both current and historic, local economic and credit conditions, the direction of the change in collateral values, and the funding probability on unfunded lending commitments. The provision for credit losses is charged against earnings in order to maintain our ACL, which reflects management's best estimate of loan losses over the life of the loan portfolio at the relevant balance sheet date.

We recorded a $2.0 million provision for credit losses (for both loans and unfunded commitments) for the year ended December 31, 2025, compared to a $7.5 million provision for credit losses for the year ended December 31, 2024. The year-over-year $5.5 million decrease in the provision for credit losses primarily was due to a stabilization of criticized and classified assets during 2025, offset by the impact of loan growth.

Non-interest Income

Non-interest income is the secondary contributor to our net income. Non-interest income consists of service charges on deposit accounts, check card revenue, impact of free-standing derivatives, real estate lease income, FHLB dividends, net gain on securities and other income.

	Year Ended December 31,		2025 vs. 2024 Increase (Decrease)	
	2025	2024	$	%
	(dollars in thousands)			
Non-interest income:				
Service charges on deposit accounts	$ 811	$ 844	$ (33)	(3.9)%
Check card revenue	694	704	(10)	(1.4)%
Net payments received on free-standing derivatives	5,454	7,928	(2,474)	(31.2)%
Net changes in the fair value of derivatives	(10,155)	1,321	(11,476)	(NM)%
Real estate lease income	273	263	10	3.8%
FHLB dividends	1,312	1,314	(2)	(0.2)%
Net gain on securities	43	1,212	(1,169)	(96.5)%
Other income	619	1,012	(393)	(38.8)%
Total non-interest income	$ (949)	$14,598	$(15,547)	(106.5)%

Net payments received on free-standing derivatives—This line item represents the net payments received from counterparties for derivatives not designated as hedges, or free-standing derivatives. Net payments received on free-standing derivatives decreased $2.5 million, or 31.2%, in 2025 as compared to 2024 primarily due to the reduction in the Secured Overnight Funding Rate, which is the index to which the Bank's interest rate swaps are tied.

Net changes in the fair value of derivatives—For interest rate derivatives, which we do not receive fair value hedge accounting treatment, the fluctuations of the mark-to-market valuations are included in non-interest income. Net changes in the fair value of derivatives not designated as hedges for accounting purposes decreased $11.5 million in 2025 as compared to 2024 primarily due to changes in medium-long term market interest rates and the shape of the yield curve.

Net gain on securities—Net gain on securities decreased $1.2 million in 2025 as compared to 2024. The decrease primarily was driven by a $1.3 million gain on the sale of Visa Class A common stock (formerly Visa Class B common stock) in 2024 that was not repeated in 2025. In 2025 the Bank recognized a gain of $34,000 from payments on securities with previously recognized other-than-temporarily impairment and a $9,000 gain on a called corporate security. These items generally should be considered non-recurring.

Other income—Other income decreased by $393,000 in 2025 compared to 2024, primarily as a result of a $450,000 decrease in Small Business Investment Company ("SBIC") income in 2025 as compared to 2024 due to lower SBIC fund distributions during 2025. These SBIC fund distributions are episodic and based on the underlying performance of the funds' investments.

Non-interest Expense

Non-interest expense includes salaries and employee benefits, occupancy and equipment, data processing, FDIC insurance and other operating expenses. In evaluating our level of non-interest expense, we closely monitor our efficiency ratio, which is calculated as non-interest expense divided by the sum of net interest income and non-interest income. We seek to identify ways to streamline our business and operate more efficiently in order to reduce our non-interest expense over time while continuing to achieve growth in loans and assets.

Over the past several years, we have continued to invest significant resources in personnel and technology. As we execute initiatives based on growth, we expect non-interest expense to continue to grow, however, management will continue to be judicious in these investments.

	Year Ended December 31,		2025 vs. 2024 Increase (Decrease)	
	2025	2024	$	%
	(dollars in thousands)			
Non-interest expense:				
Salaries and employee benefits	$29,033	$26,260	$2,773	10.6%
Occupancy and equipment	2,480	2,275	205	9.0%
Data processing	3,664	3,450	214	6.2%
FDIC insurance	2,450	2,658	(208)	(7.8)%
Other expense	6,852	5,448	1,404	25.8%
Total non-interest expense	$44,479	$40,091	$4,388	10.9%

Salaries and employee benefits—The $2.8 million increase in salaries and employee benefits in 2025 as compared to 2024 was due primarily to the continuing build out of the business development and relationship management components of the Bank's commercial lending and deposit team resulting in greater salary and recruiting expenses. The number of full-time equivalent employees increased 1.4% between December 31, 2025 and December 31, 2024.

Other expenses—The $1.4 million increase in other expenses in 2025 as compared to 2024 was primarily due to increases in professional fees of $702,000 in connection with the Bank's preparation for a public offering, employee recruiting fees of $218,000, and DFPI assessments of $162,000, which is based on total assets. DFPI assessments increased due to asset growth during the year ended December 31, 2025.

Provision for Income Taxes

Provision for income taxes decreased $3.6 million, or 11.8%, to $26.7 million for the year ended December 31, 2025, compared to $30.3 million for the year ended December 31, 2024. The decrease in the provision for income taxes is due to lower pre-tax income and a lower effective tax rate in 2025. The effective tax rate decreased in 2025 primarily due to changes in the state of California apportionment rules that reduced the amount of income apportioned to California and increased the amount apportioned to other tax jurisdictions with state income tax rates that are lower than California's state income tax rate. As income apportioned in these lower tax jurisdictions increased, our overall state tax effective rate declined. The effective tax rate was 28.1% and 29.2% for the years ended December 31, 2025 and 2024, respectively.

FINANCIAL CONDITION SUMMARY—DECEMBER 31, 2025 COMPARED TO DECEMBER 31, 2024

The following discussion compares our financial condition as of December 31, 2025 to our financial condition as of December 31, 2024.

Total Assets

At December 31, 2025, total assets were $5.8 billion, an increase of $658.4 million, or 12.8% from $5.1 billion at December 31, 2024. This increase was primarily due to a $353.8 million increase in total loans, combined with a $328.8 million increase in cash and cash equivalents. This growth in assets was funded by an increase in deposits of $693.8 million during 2025.

Cash and Cash Equivalents

Total cash and cash equivalents were $477.5 million at December 31, 2025, an increase of $328.8 million from $148.7 million at December 31, 2024. This increase in cash and cash equivalents was primarily due to excess liquidity from a $693.8 million increase in total deposits during the year ended December 31, 2025.

Investment Portfolio

Our investment portfolio is primarily comprised of U.S. Treasury and government agency securities, mortgage-backed securities, and corporate debt securities, all of which are high credit-quality liquid investments. We manage our investment portfolio according to written investment policies approved by our Board of Directors. Our investment strategy is designed to maximize earnings while maintaining liquidity with minimal credit and interest rate risk. All of our securities are classified as AFS for all periods shown.

Our total debt securities amounted to $675.4 million at December 31, 2025, a decrease of $11.9 million, or 1.7% from $687.3 million at December 31, 2024. The decrease primarily resulted from management's decision to maintain higher cash balances, which earned higher yields at the FRB relative to the returns on the typical securities that the Bank purchases.

The weighted-average life on the total investment portfolio at December 31, 2025 was 1.83 years compared to a weighted-average life of 1.27 years at December 31, 2024. The weighted-average life is the average number of years until the principal of the bonds is repaid weighted by the amount of principal that is expected to be paid at each point in time.

The table below shows our investment securities' fair value and weighted average yields by maturity in the following maturity groupings as of December 31, 2025. Weighted-average yields are calculations representing income within each maturity range based on the amortized cost of securities, not on a tax-equivalent basis. The fair value of the investment securities portfolio is shown by contractual maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties.

	Less than One Year		More than One Year to Five Years		More than Five Years to Ten Years		More than Ten Years		Total	
	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield	Fair Value	Weighted Average Yield
	(dollars in thousands)									
December 31, 2025										
U.S. Treasury securities	$259,609	3.98%	$ 81,568	4.28%	$ —	—%	$ —	—%	$341,177	4.05%
U.S. government sponsored entities and agency securities	85,171	4.41%	25,723	4.02%	403	4.37%	—	—%	111,297	4.32%
Municipal securities	755	3.34%	2,280	2.38%	1,840	3.60%	—	—%	4,876	2.99%
Mortgage-backed securities: residential	65	1.78%	8,169	0.88%	16,611	1.11%	27,506	1.37%	52,351	1.21%
Mortgage-backed securities: commercial	374	3.46%	75,401	3.98%	6,391	4.22%	2,742	4.53%	84,908	4.01%
Collateralized mortgage obligations	23,975	4.23%	—	—%	1,095	5.74%	11,380	4.32%	36,450	4.30%
Corporate debt securities	8,415	0.65%	29,556	4.32%	—	—%	—	—%	37,971	3.50%
Asset-backed securities	—	0.00%	—	—%	—	—%	6,368	5.08%	6,368	5.08%
Total securities	$378,364	4.01%	$222,697	4.00%	$26,340	2.20%	$47,996	2.66%	$675,398	3.83%

Loans

Our loan portfolio is our largest class of interest-earning assets and typically provides higher yields than other types of interest-earning assets. Associated with the higher yields is an inherent amount of credit risk, which we attempt to mitigate with comprehensive underwriting standards and proactive ongoing management of the loan portfolio. As of December 31, 2025 and 2024, our total loans amounted to $4.6 billion and $4.3 billion, respectively.

The following table presents the balance and associated percentage of each major loan type within our portfolio as of the dates indicated:

	As of December 31,			
	2025		2024	
	$	%	$	%
	(dollars in thousands)			
Commercial and industrial	$ 183,590	4.0%	$ 159,000	3.7%
Commercial real estate	4,144,340	89.5%	3,837,258	89.8%
Construction and land development	25,760	0.6%	13,087	0.3%
Residential real estate	192,840	4.2%	199,737	4.7%
Agricultural	73,331	1.6%	55,044	1.3%
Consumer	8,242	0.1%	10,131	0.2%
Total loans	4,628,103	100.0%	4,274,257	100.0%

	As of December 31,			
	2025		2024	
	$	%	$	%
	(dollars in thousands)			
Less: Net deferred loan fees	(9,909)		(9,640)	
Fair value adjustment on hedged loans	(38,540)		(96,460)	
Allowance for credit losses—loans	(103,799)		(102,163)	
Total loans, net	$4,475,855		$4,065,994	

Commercial and industrial—We originate both variable rate and fixed rate C&I loans. The loans are typically made to small- and medium-sized manufacturing, wholesale, retail and service businesses for working capital needs, business expansions and other general borrower needs. C&I loans can be secured or unsecured but are generally secured with the assets of the company and/or the personal guaranty of the business owner(s).

Commercial real estate—CRE loans consist of term loans secured by a mortgage lien on real property, such as multi-family housing, industrial properties, office buildings, retail shopping centers, and self-storage facilities, as well as owner occupied-properties.

Construction and land development—Construction and land development loans primarily consist of commercial property construction, site preparation, and infrastructure development.

Residential real estate—Residential real estate loans consist of single-family residential real estate loans. The underlying collateral can be a primary or secondary residence.

Agricultural—Agricultural loans consist of secured and unsecured loans, lines of credit, and production financing to help clients manage cash flow, invest in equipment, expand operations, and navigate business cycles.

Consumer—Consumer loans include home equity lines of credit or other junior lien credits.

We recognize that our CRE loan concentration is significant within our balance sheet. CRE loan balances as a percentage of total loan balances were 89.5% and 89.8% as of December 31, 2025 and 2024, respectively.

We believe that our past success is attributable to focusing on products and markets where we have significant expertise. Given our concentration in CRE, we established strong risk management practices, including a low financial leverage profile at origination, risk-based lending standards, self-established collateral use and geographical limits, and quarterly stress testing of our CRE portfolio. We have also established a series of internal concentration limits in the loan portfolio for CRE loans by use type (e.g., office, retail, multi-family, etc.) and by geographic area. All loan sectors were within our established limits as of December 31, 2025. We also regularly perform a rigorous portfolio review process with our senior management and the portfolio management team, which results in proactive risk rating changes and actions plans, when necessary. Although we expect to continue growing our loan portfolio, we do not expect our property type or geographic concentrations to materially change. We expect our Office CRE concentration to continue to decline, as we have largely exited the general Office CRE new origination market since the onset of the COVID-19 pandemic.

The following table presents the weighted average LTV ratios at origination for CRE loans by property type as of December 31, 2025:

	Total	% of total	Weighted Average LTV
	(dollars in thousands)		
Non-owner occupied:			
Multifamily	$1,470,179	35.5%	38.34%
Retail	1,011,574	24.4%	39.27%
Industrial	578,098	13.9%	36.94%
Office	444,330	10.7%	43.97%
Mini Storage	204,627	4.9%	34.88%
Mobile Home	95,520	2.3%	35.01%
Special Purpose	87,492	2.1%	34.35%
Hospitality	84,503	2.0%	38.14%
Other	6,474	0.3%	33.77%
Total non-owner occupied:	$3,982,797	96.1%	38.64%
Owner occupied:			
Industrial	$ 87,819	2.1%	48.03%
Office	51,850	1.3%	50.70%
Special Purpose	16,824	0.4%	32.54%
Retail	1,956	0.1%	50.77%
Hospitality	1,898	0.0%	48.00%
Other	1,196	0.0%	52.60%
Total owner-occupied:	$ 161,543	3.9%	47.34%
Total loans	$4,144,340	100.0%	38.98%

The following table presents the weighted average LTV ratios at origination for CRE loans by state as of December 31, 2025. In recent years, we expanded our CRE lending throughout the Western United States and we expect this expansion to continue to diversify our geographic presence.

	Total	% of total	Weighted Average LTV
	(dollars in thousands)		
Non-owner occupied:			
California	$2,888,627	69.7%	38.21%
Texas	239,658	5.8%	41.05%
Nevada	235,355	5.7%	43.45%
Washington	207,505	5.0%	32.95%
Arizona	159,846	3.9%	38.30%
Utah	73,851	1.8%	42.77%
Idaho	69,697	1.7%	39.98%
Oregon	64,791	1.6%	42.70%
Colorado	17,636	0.4%	46.01%
Other	25,831	0.5%	37.93%
Total non-owner occupied:	$3,982,797	96.1%	38.51%

	Total	% of total	Weighted Average LTV
	(dollars in thousands)		
Owner occupied:			
California	148,012	3.6%	47.28%
Nevada	13,531	0.3%	48.00%
Total owner-occupied:	$ 161,543	3.9%	47.34%
Total loans	$4,144,340	100.0%	38.98%

The following table presents our gross loan portfolio by contractual maturities, based on the loan type and loan pricing characteristics (i.e. fixed versus floating) as of December 31, 2025. As is customary in the banking industry, loans that meet our underwriting criteria may be renewed by mutual agreement between the borrower and us. Because we are unable to estimate the extent to which our borrowers will renew their loans, the table is based on contractual maturities at December 31, 2025. As a result, the data shown below should not be viewed as an indication of future cash flows.

	Due in 1 year or less	Due after 1 year through 5 years	Due after 5 years through 15 years	Due after 15 Years	Total
	(dollars in thousands)				
Commercial and industrial					
Fixed rate	$ 679	$ 42,929	$ 37,215	$ 5,066	$ 85,889
Floating rate	37,547	60,154	—	—	97,701
Commercial real estate					
Fixed rate	119,941	1,128,543	2,056,669	8,469	3,313,622
Floating rate	49,101	218,390	561,302	1,925	830,718
Construction and land development					
Fixed rate	—	—	9,000	—	9,000
Floating rate	—	16,760	—	—	16,760
Residential real estate					
Fixed rate	147	13,953	19,184	159,556	192,840
Floating rate	—	—	—	—	—
Agricultural					
Fixed rate	3,810	5,372	17,856	—	27,038
Floating rate	18,000	21,674	6,619	—	46,293
Consumer					
Fixed rate	274	507	1,315	1,741	3,837
Floating rate	—	256	307	3,842	4,405
Total loans	$229,499	$1,508,538	$2,709,467	$180,599	$4,628,103
Fixed rate	$124,851	$1,191,304	$2,141,239	$174,832	$3,632,226
Floating rate	104,648	317,234	568,228	5,767	995,877
Total loans	$229,499	$1,508,538	$2,709,467	$180,599	$4,628,103

Asset Quality

We manage the quality of our loans based upon trends at the overall loan portfolio level, as well as within each product type. We measure and monitor key factors that include the level and trend of classified, delinquent, nonaccrual, and nonperforming assets, collateral coverage, debt yields, and debt service coverage, where applicable. These metrics directly impact our evaluation of the adequacy of our ACL.

Our primary objective is to maintain a high level of asset quality in our loan portfolio. We believe our underwriting policies and practices, executed by experienced professionals, appropriately govern the risk profile for our loan portfolio. These policies are continually evaluated and updated as necessary. All loans are assessed and assigned a risk classification at origination based on underlying characteristics of the transaction, such as collateral cash flow, collateral coverage, and borrower strength. We believe that we have a comprehensive methodology to proactively monitor our credit quality after the origination process. On an ongoing basis, we monitor underlying tenant activity, collateral usage, payment performance, delinquencies, and tax and property insurance compliance. We design our practices to facilitate the early detection and remediation of problems within our loan portfolio. Assigned risk classifications are an integral part of management's assessment of the adequacy of our ACL. Like other financial institutions, we are subject to the risk that our loan portfolio will be exposed to increasing pressures from deteriorating borrower credit due to significant negative economic conditions and changing interest rates.

Nonperforming Assets

Our nonperforming assets consist of nonperforming loans and foreclosed real estate, if any. Nonperforming loans consist of non-accrual loans and loans contractually past due by 90 days or more and still accruing. Loans on which the accrual of interest has been discontinued are designated as non-accrual loans. Accrual of interest on loans is discontinued either when reasonable doubt exists as to the full and timely collection of interest or principal or when a loan becomes contractually past due by 90 days or more with respect to interest or principal. When a loan is placed on non-accrual status, all interest previously accrued, but not collected, is reversed against current period interest income. Income on such loans is then recognized only to the extent that cash is received and where the future collection of principal is probable. Interest accruals are resumed on such loans only when they are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest.

As of December 31, 2025, we had no nonperforming assets, and delinquent loans represented 0.02% of total loans, compared to no nonperforming assets and a delinquency rate of 0.15% as of December 31, 2024. We believe these strong credit metrics for both periods are a testament of our low-leveraged loan profile and prudent and proactive ongoing portfolio monitoring.

Credit Quality Indicators

We utilize a risk grading system for our loans to aid us in evaluating the overall credit quality of our loan portfolio and assessing the adequacy of our ACL. All loans are grouped into a risk category at the time of origination. All loans are reevaluated for proper risk grading as new information such as payment patterns, collateral conditions, and other relevant information comes to our attention.

The banking industry defines loans graded substandard or doubtful as "classified" loans.

The following table presents the risk categories for loans, by type, as of the dates indicated:

	Pass	Special Mention	Substandard	Doubtful	Total
	(dollars in thousands)				
As of December 31, 2025					
Commercial and industrial	$ 167,587	$ 8,073	$ 7,930	$ —	$ 183,590
Commercial real estate	4,056,095	40,703	47,542	—	4,144,340
Construction and land development	16,760	9,000	—	—	25,760
Residential real estate	192,840	—	—	—	192,840
Agricultural	73,331	—	—	—	73,331
Consumer	8,242	—	—	—	8,242
Total	$4,514,855	$57,776	$55,472	$ —	$4,628,103

	Pass	Special Mention	Substandard	Doubtful	Total
	(dollars in thousands)				
As of December 31, 2024					
Commercial and industrial	$ 140,865	$10,037	$ 8,098	$ —	$ 159,000
Commercial real estate	3,738,023	29,055	70,180	—	3,837,258
Construction and land development	5,626	7,461	—	—	13,087
Residential real estate	199,737	—	—	—	199,737
Agricultural	55,044	—	—	—	55,044
Consumer	10,131	—	—	—	10,131
Total	$4,149,426	$46,553	$78,278	$ —	$4,274,257

Allowance for Credit Losses

The ACL is established through a provision for credit losses charged to operations. Charge-offs are recorded against the ACL when management believes that the collectability of the principal is unlikely. Subsequent recoveries of previously charged-off amounts, if any, are credited to the ACL.

The ACL—loans is evaluated on a regular basis by management and is based on management's assessment of the collectability of the loans in light of historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. This evaluation is inherently subjective, as it requires estimates that are susceptible to significant revision as more information becomes available.

At December 31, 2025, our ACL—loans was $103.8 million, compared to $102.2 million at December 31, 2024. The $1.6 million increase in the allowance in 2025 is due to a $1.6 million provision for credit losses—loans, offset by minor net charge-offs of $4,000.

At December 31, 2025, our ACL—unfunded commitments was $2.6 million, compared to $2.2 million at December 31, 2024. The $345,000 increase in the allowance is due to additional construction loan commitments made during the year ended December 31, 2025. The ACL—unfunded commitments is included in "Other liabilities" in the consolidated balance sheets. Provisions for unfunded loan commitments are included in "Provision for credit losses—unfunded commitments" in the consolidated statements of income.

The following table presents management's allocation of our ACL by loan type, and the balance of loans in each type as a percentage of total loans, for the periods indicated:

	As of December 31,					
	2025			2024		
	$	ACL—Loans as a % of Loan Type	% of Total ACL—Loans	$	ACL—Loans as a % of Loan Type	% of Total ACL—Loans
	(dollars in thousands)					
Loan type:						
Commercial and industrial	$ 7,241	3.94%	7.0%	$ 5,816	3.66%	5.7%
Commercial real estate	89,787	2.17%	86.4%	91,808	2.39%	89.9%
Construction and land development	2,660	10.33%	2.6%	1,171	8.95%	1.1%
Residential real estate	2,537	1.32%	2.4%	2,659	1.33%	2.6%
Agricultural	1,414	1.93%	1.4%	536	0.97%	0.5%
Consumer	160	1.94%	0.2%	173	1.71%	0.2%
Allowance for credit losses—loans	$103,799	2.24%	100.0%	$102,163	2.39%	100.0%

The following table presents information on the activity within the allowance for credit losses as of and for the periods indicated:

	Year Ended December 31,	
	2025	2024
	(dollars in thousands)	
Allowance for Credit Losses—Loans		
Balance, beginning of period	$ 102,163	$ 96,051
Charge-offs:		
Commercial & industrial	(40)	—
Total charge-offs	(40)	—
Recoveries:		
Consumer	1	3
Commercial & industrial	35	—
Total recoveries	36	3
Provision for credit losses—loans	1,640	6,109
Balance, end of period	$ 103,799	$ 102,163
Allowance for Credit Losses—Unfunded Commitments		
Balance at beginning of year	$ 2,215	$ 785
Provision for credit losses—unfunded commitments	345	1,430
Balance at the end of period	$ 2,560	$ 2,215
Total loans at end of period	$4,628,103	$4,274,257
Net recoveries to average loans	0.00%	0.00%
Allowance for credit losses—loans to total loans	2.24%	2.39%

Total Liabilities

During 2025, total liabilities increased $594.6 million, or 12.8%, to $5.3 billion at December 31, 2025 from $4.7 billion at December 31, 2024. This increase was primarily attributable to an increase in deposits of $693.8 million, offset by a decrease in cash collateral held by the Bank related to derivatives of $71.0 million, which was caused by a decrease in value on our interest rate swaps. The $693.8 million increase in deposits year-over-year was due largely to increases in interest-bearing demand deposits of $455.0 million, money market deposits of $237.0 million, and noninterest-bearing deposits of $97.8 million, partially offset by a decrease in time deposits of $86.2 million. This increase in deposits allowed the Bank to continue to increase loans, while increasing our liquidity profile. The change in the deposit composition mix was due to depositors increasing their usage of our fully-insured interest-bearing demand deposit product and reducing their exposure to longer-term time deposits.

Deposits

Representing 98.0% of our total liabilities as of December 31, 2025, deposits are our primary source of funding for our business operations.

Total deposits were $5.1 billion as of December 31, 2025, an increase of $693.8 million, or 15.6%, from $4.5 billion as of December 31, 2024. Deposit increases were primarily attributable to increases in interest-bearing demand deposits in response to the prevailing rate environment. Non-interest-bearing deposits increased $97.8 million in 2025 to $932.8 million, and represented 18.1% of total deposits at December 31, 2025, compared to 18.7% of total deposits at December 31, 2024. Our loan to deposit ratio was 89.70% at December 31, 2025, compared to 95.74% at December 31, 2024. We closely monitor the loan to deposit ratio for purposes of both operational objectives and regulatory capital compliance. The loan to deposit ratio is measured as total loans, net of deferred loan fees, divided by total deposits.

The following table presents the composition of our deposit portfolio by account type as of the dates indicated:

	For the Year Ended			
	December 31, 2025		December 31, 2024	
	$	%	$	%
	(dollars in thousands)			
Deposits:				
Noninterest-bearing demand deposits	$ 932,804	18.12%	$ 834,970	18.74%
Interest-bearing:				
Interest-bearing transaction accounts	2,185,987	42.46%	1,731,010	38.86%
Money market	1,177,273	22.87%	940,261	21.11%
Savings	89,915	1.75%	99,742	2.24%
Time deposits	762,350	14.80%	848,546	19.05%
Total interest-bearing deposits	4,215,525	81.88%	3,619,559	81.26%
Total deposits	$5,148,329	100.00%	$4,454,529	100.00%

The following table summarizes our deposit composition by average deposits and average rates paid for the periods indicated:

	For the Year Ended			
	December 31, 2025		December 31, 2024	
	Average Balance	Weighted Average Rate (%)	Average Balance	Weighted Average Rate (%)
	(dollars in thousands)			
Deposits:				
Noninterest-bearing demand deposits	$ 962,287	—	$ 982,260	—
Interest-bearing deposits:				
Interest-bearing transaction accounts	1,926,155	3.57%	1,609,677	3.67%
Money market	1,017,250	3.32%	997,506	3.49%
Savings	95,846	0.50%	108,385	0.48%
Time deposits	844,762	4.23%	847,736	5.03%
Total interest-bearing deposits	3,884,013	3.57%	3,563,304	3.85%
Total deposits	$4,846,300	2.86%	$4,545,564	3.02%

As of December 31, 2025, our 20 largest deposit relationships, each accounting for more than $35.0 million of deposits, totaled $2.7 billion, or 52.7% of our total deposits. As of December 31, 2024, our 20 largest deposit relationships, each accounting for more than $31.0 million of deposits, totaled $2.2 billion, or 48.6% of our total deposits.

The Bank is a member of deposit placement networks that qualify large deposits for FDIC insurance. These reciprocal deposit structures offer protection to depositors by fully insuring deposits with other network banks.

Estimated uninsured and uncollateralized deposits totaled approximately $848.4 million, or 16.5% of total deposits, at December 31, 2025 and $825.4 million, or 18.5% of total deposits, at December 31, 2024.

The following table sets forth the maturity of time deposits and the balance of time deposits that exceed the FDIC insurance limit of $250,000 as of December 31, 2025.

	$250,000 and under	Greater than $250,000	Total	Uninsured Portion
	(dollars in thousands)			
Remaining maturity:				
3 months or less	$13,532	$391,835	$405,367	$114,510
Over 3 months through 6 months	7,097	171,371	178,468	17,816
Over 6 months through 12 months	13,679	129,919	143,598	48,893
Over 12 months	757	33,160	34,917	141
Total	$36,065	$726,285	$762,350	$181,360

FHLB Advances and Other Borrowings

From time to time, we utilize short-term collateralized FHLB borrowings to maintain adequate liquidity. There were no borrowings outstanding as of December 31, 2025 and 2024.

We had outstanding FRB Discount Window borrowings of $25.0 million and $50.0 million as of December 31, 2025 and 2024, respectively.

Shareholders' Equity

At December 31, 2025, shareholders' equity totaled $548.5 million, an increase of $63.8 million, or 13.2%, from $484.7 million at December 31, 2024. The increase was primarily due to net income of $68.4 million, a reduction in net unrealized losses on securities of $4.5 million and equity compensation expenses of $2.4 million, partially offset by common stock repurchases of $7.4 million and common stock cash dividends paid of $2.3 million.

Liquidity and Capital Resources

Overview

The goal for managing our assets and liabilities is to maximize shareholder value and earnings while maintaining a high-quality balance sheet without exposing the Bank to undue interest rate risk. The Board of Directors has overall responsibility for our interest rate risk management policies. Our ALCO has primary responsibility for oversight of, among other responsibilities, our liquidity, asset/ liability (interest rate risk) position, capital and our investment portfolio functions.

Liquidity risk is the potential that we will be unable to meet our obligations as they come due because of an inability to obtain adequate funding at a reasonable cost or liquidate assets. Our cash obligations require us to have cash flow that is adequate to fund loan growth and maintain on-balance sheet liquidity while meeting present and future obligations of deposit withdrawals, borrowing maturities, and other contractual cash obligations. In managing our cash flows, management regularly confronts situations that can give rise to increased liquidity risk. These include funding mismatches, market constraints in accessing sources of funds, and the ability to convert assets into cash. Changes in economic conditions or exposure to borrower credit quality, capital markets, and operational, legal, or reputational risks could also affect our liquidity risk profile and are considered in the assessment of liquidity management.

We continually monitor our liquidity position in order to meet all reasonably foreseeable short-term, long-term, and strategic liquidity demands. Management has established a comprehensive process for identifying, measuring, monitoring, and controlling liquidity risk. Because of its critical importance to the viability of the Bank, liquidity risk management is fully integrated into our risk management processes. Critical elements of our liquidity risk management include effective corporate governance, consisting of oversight by the Board of Directors and active involvement by management; appropriate strategies, policies, procedures, and limits used to manage and mitigate liquidity risk; comprehensive liquidity risk measurement and monitoring systems, including stress tests, that are commensurate with the complexity of our business activities; active management of intraday liquidity and collateral; an appropriately diverse mix of existing and potential future funding sources; adequate levels of highly liquid marketable securities free of legal, regulatory, or operational impediments that can be used to meet liquidity needs in stress situations; comprehensive contingency funding plans that sufficiently address potential adverse liquidity events and emergency cash flow requirements; and internal controls and internal audit processes sufficient to determine the adequacy of our liquidity risk management process.

Liquidity Management

We manage liquidity based upon factors that include the level of diversification of our funding sources, the composition of our deposit types, the availability of unused funding sources, our off-balance sheet obligations, the amount of cash and liquid securities we hold, and the availability of assets to be readily converted into cash without undue loss.

Our liquidity position is supported by management of our liquid assets and liabilities and access to alternative sources of funds. Our liquidity requirements are met primarily through our deposits, FRB Discount Window borrowings, FHLB advances, Fed Funds lines of credit with correspondent banks, wholesale brokered deposits and the principal and interest payments we receive on loans and investment securities. Cash on hand, cash at correspondent banks, AFS investments, and maturing or prepaying balances in our investment and loan portfolios are our internal sources of liquidity.

Total liquidity (consisting of cash and cash equivalents, unpledged available-for-sale investment securities, and unused and immediately available borrowing capacity) was approximately $2.7 billion as of December 31, 2025. This does not include the Bank's ability to obtain wholesale brokered deposits.

	December 31, 2025			
	Line of Credit	Outstanding Borrowings	Letters of Credit Issued	Total
	(dollars in thousands)			
FHLB	$1,511,725	$ —	$825,000	$ 686,725
FRB Discount Window	1,241,067	25,000	—	1,216,067
Federal Funds Lines	75,000	—	—	75,000
Unpledged AFS investment securities	—	—	—	257,124
Cash and cash equivalents	—	—	—	477,471
Total	$2,827,792	$25,000	$825,000	$2,712,387

FHLB

We maintain a collateralized line of credit with the FHLB. Based on the FHLB stock requirements and the collateral amount pledged at December 31, 2025, this line provided for maximum borrowing capacity of $1.5 billion of which there were no outstanding advances and $825.0 million was utilized for letters of credit, which are used as collateral for public fund deposits. At December 31, 2024, this line provided for maximum borrowing capacity of $1.3 billion of which there were no outstanding advances and $750.0 million was utilized for letters of credit. We pledged certain loans of approximately $2.2 billion and $2.0 billion under a blanket lien arrangement to collateralize the line of credit with the FHLB as of December 31, 2025 and 2024.

FRB Discount Window

We maintain a collateralized line of credit with the FRB Discount Window secured by certain pledged loans. As of December 31, 2025 and December 31, 2024, this line provided for maximum borrowing capacity of $1.2 billion and $1.1 billion, respectively, of which $25.0 million and $50.0 million was outstanding. We pledged certain loans of approximately $1.8 billion and $1.6 billion to the FRB as of December 31, 2025 and 2024.

Correspondent Bank Lines of Credit

At December 31, 2025, the unused and maximum borrowing capacity from correspondent bank lines of credit was $75.0 million.

Capital Adequacy

We use various measures to track and evaluate our capital adequacy with consideration given to our overall financial condition, our asset quality, our level of allowance for credit losses, our geographic and industry concentrations, and other risk factors on our balance sheet, including interest rate sensitivity.

We are subject to various regulatory capital requirements administered by the federal and state banking agencies. Failure to meet minimum capital requirements can initiate certain mandatory and possibly additional discretionary actions by regulators that, if undertaken, could have a material effect on our shareholder value.

Under federal regulations implementing the Basel III framework, we are subject to minimum risk-based and leverage capital requirements. We are also subject to regulatory thresholds that must be met for an insured depository institution to be classified as "well-capitalized" under the prompt corrective action framework. Under capital adequacy guidelines and the regulatory framework for prompt corrective action, we must meet specific capital guidelines that involve quantitative measures of its assets, liabilities, and certain off-balance sheet items, as calculated under regulatory accounting practices. Capital amounts for us, and our prompt corrective action classification, are also subject to qualitative judgments by the regulators about components of capital, risk weightings, and other factors. As of December 31, 2025, we were in compliance with all applicable regulatory capital requirements, and we were qualified as "well-capitalized" under the prompt corrective action framework.

Management reviews capital ratios on a regular basis to ensure that capital exceeds the prescribed regulatory minimums and is adequate to meet our anticipated future needs. For all periods presented, our ratios exceed the regulatory definition of "well-capitalized" under the regulatory framework for prompt corrective action.

	Ratio at December 31, 2025	Ratio at December 31, 2024	Minimum Requirement for "Well Capitalized" Depository Institution
Total Capital (to risk-weighted assets)	14.02%	13.52%	10.00%
Tier 1 Capital (to risk-weighted assets)	12.75%	12.25%	8.00%
Common Equity Tier 1 (to risk-weighted assets)	12.75%	12.25%	6.50%
Tier 1 Leverage (to average assets)	9.40%	9.12%	5.00%

Contractual Obligations

Our estimated future contractual obligations as of December 31, 2025 include both current and long-term obligations. The following table contains supplemental information regarding our total contractual obligations at December 31, 2025:

	Due				
	Within One Year	One to Three Years	Three to Five Years	After Five Years	Total
	(dollars in thousands)				
Time deposits	$727,433	$34,747	$170	—	$762,350
FRB Discount Window	25,000	—	—	—	25,000
Leases	563	507	352	144	1,566
Total contractual obligations	$752,996	$35,254	$522	$144	$788,916

Off-Balance Sheet Arrangements

We have limited off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, revenues, expenses, results of operations, liquidity, capital expenditures or capital resources.

In the ordinary course of business, we enter into financial commitments to meet the financing needs of our customers. These financial commitments include commitments to extend credit, and standby letters of credit. Those instruments involve, to varying degrees, elements of credit and interest rate risk. Such off-balance sheet commitments totaled $508.0 million and $436.0 million as of December 31, 2025 and 2024.

The following table contains information regarding our off-balance sheet arrangements as of the dates indicated:

	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Commitments to extend credit	$474,819	$408,625
Standby letters of credit	31,421	27,414
Total	$506,240	$436,039

Commitments to extend credit are agreements to lend to customers. These commitments have specified interest rates and generally have fixed expiration dates but may be terminated by us if certain conditions of the contract are violated. Although currently subject to drawdown, some of these commitments may expire or terminate without funding. Therefore, the total commitment amounts do not necessarily represent future cash requirements. Collateral held relating to these commitments varies. For secured loans, it generally includes real estate, accounts receivable and personal property.

Standby letters of credit are conditional commitments issued by us to guarantee the performance of a customer to a third party. Credit risk arises in these transactions from the possibility that a customer may not be able to repay us upon default of performance. Collateral held for standby letters of credit is based on an individual evaluation of each customer's credit worthiness but may include real estate and cash.

Our exposure to loan loss in the event of nonperformance on these financial commitments is represented by the contractual amount of those instruments. We use the same credit policies in making commitments as it does for loans reflected in the financial statements.

In addition, periodically, we invest in qualified affordable housing projects. Pursuant to these investments, we commit to an investment amount to be fulfilled in future periods. Such unfunded commitments totaled $187,000 and $3.2 million as of December 31, 2025 and 2024.

Non-GAAP Financial Measures

Some of the financial measures discussed herein are non-GAAP financial measures. In accordance with SEC rules, we classify a financial measure as being a non-GAAP financial measure if that financial measure excludes or includes amounts, or is subject to adjustments that have the effect of excluding or including amounts, that are included or excluded, as the case may be, in the most directly comparable measure calculated and presented in accordance with GAAP in our consolidated statements of operations, balance sheets, statements of shareholders' equity, or statements of cash flows.

We believe that these non-GAAP financial measures provide useful information to management and investors that is supplementary to our financial condition, results of operations, and cash flows computed in accordance with GAAP. However, we acknowledge that our non-GAAP financial measures have a number of limitations. As such, you should not view these disclosures as a substitute for results determined in accordance with GAAP, and they are not necessarily comparable to non-GAAP financial measures that other banking companies use. Other banking companies may use names similar to those we use for the non-GAAP financial measures we disclose but may calculate them differently. You should understand how we and other companies each calculate non-GAAP financial measures when making comparisons.

Core Pre-Provision, Pre-Tax Income

This figure is defined as net interest income, plus non-interest income, less the change in fair value of derivatives, less non-interest expense. The purpose of this non-GAAP financial measure is to remove the market volatility that can be included in the change in the fair value of derivatives that do not have fair value hedge accounting treatment, which is a component of non-interest income. We make effort to hedge our interest rate risk through interest rate derivatives and a portion of the gain/loss on derivatives is reflected in our Statement of Operations. We believe that this non-GAAP financial measure provides a clearer picture of our operational earnings.

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(dollars in thousands)			
Net interest income	$35,537	$34,339	$70,552	$ 66,725
Noninterest income	5,011	(1,762)	8,768	(5,919)
Non-core item:				
Less net changes in the fair value of derivatives	3,178	(4,009)	4,907	(10,445)
Core noninterest income	1,833	2,247	3,861	4,526
Less noninterest expense	11,937	10,913	24,381	21,922
Core pre-provision pre-tax income	$25,433	$25,673	$50,032	$ 49,329

	For the Year Ended	
	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Net interest income	$142,504	$136,687
Non-interest income	(949)	14,598
Non-core item:		
Less change in the fair value of derivatives	(10,155)	1,321
Core non-interest income	9,206	13,277
Less non-interest expense	44,479	40,091
Core pre-provision pre-tax income	$107,231	$109,873

Adjusted Efficiency Ratio

The efficiency ratio represents the ratio of non-interest expense to the sum of net interest income and total non-interest income. The adjusted efficiency ratio further excludes the change in the fair value of derivatives from total non-interest income to provide a better reflection of our financial results. We believe that the exclusion of this item from this financial measure provides useful information to gain an understanding of the operating results of our core business.

	For the Three Months Ended		For the Six Months Ended	
	June 30, 2026	June 30, 2025	June 30, 2026	June 30, 2025
	(dollars in thousands)			
Total noninterest expense (A)	$11,937	$10,913	$24,381	$ 21,922
Net interest income (B)	35,537	34,339	70,552	66,725
Noninterest income (C)	$ 5,011	$ (1,762)	$ 8,768	$ (5,919)
Less net changes in the fair value of derivatives	3,178	(4,009)	4,907	(10,445)
Core noninterest income (D)	$ 1,833	$ 2,247	$ 3,861	$ 4,526
Efficiency Ratio (A)/(B +C)	29.44%	33.50%	30.74%	36.05%
Adjusted Efficiency Ratio (A)/(B+D)	31.94%	29.83%	32.76%	30.77%

	For the Year Ended	
	December 31, 2025	December 31, 2024
	(dollars in thousands)	
Total non-interest expense **(A)**	$ 44,479	$ 40,091
Net interest income **(B)**	142,504	136,687
Non-interest income **(C)**	$ (949)	$ 14,598
Less change in the fair value of derivatives	(10,155)	1,321
Core non-interest income **(D)**	$ 9,206	$ 13,277
Efficiency Ratio **(A)/(B +C)**	31.42%	26.50%
Adjusted Efficiency Ratio **(A)/(B+D)**	29.32%	26.73%

Quantitative and Qualitative Disclosure About Market Risk

Market risk is the risk of loss from adverse changes in market prices and rates. As a financial institution, we experience market risk arising primarily from interest rate risk inherent in investing, lending, and deposit-taking activities. Because the interest rates on our assets and liabilities do not necessarily change at the same speed or rate as market interest rates, sudden and/or substantial changes in interest rates may adversely impact our earnings.

The goal for managing our assets and liabilities is to maximize shareholder value and earnings while maintaining a high-quality balance sheet without exposing us to undue interest rate risk. The Board of Directors has overall responsibility for our interest rate risk management policies. Our ALCO Committee establishes and monitors guidelines to control the sensitivity of earnings and the fair value of certain assets and liabilities as may be caused by changes in interest rates. Our policies and procedures provide management with guidelines for effective funds management, and we have established a measurement system for monitoring our interest rate sensitivity. We do not hold any financial instruments that are not maintained in U.S. dollars and are not party to any contracts that may be settled or repaid in a denomination other than U.S. dollars.

Interest rate risk is the primary market risk associated with asset/liability management. Sensitivity of earnings to interest rate changes arises when yields on earning assets change in a different time period or in a different amount from that of interest bearing liabilities. To mitigate interest rate risk, the structure of the balance sheet is managed with the goal that movements of interest rates on assets and liabilities are correlated and contribute to stable earnings even in periods of volatile interest rates or different interest rate environments.

We actively manage interest rate risk inherent in our loan portfolio through the use of derivative instruments, primarily interest rate swaps. These derivatives allow us to modify the interest characteristics of certain assets and liabilities by exchanging fixed-rate cash flows for floating-rate cash flows, or vice versa. Our hedging strategy is designed to reduce the sensitivity of our net interest income to changes in benchmark interest rates and to provide greater predictability in earnings over the long-term. Our use of interest rate swaps is governed by established risk management policies and is accounted for in accordance with applicable derivative accounting standards under U.S. GAAP. These instruments do not involve the exchange of principal and are executed with counterparties that meet our credit risk criteria.

We use an asset / liability management model to simulate the effects of interest rate changes on net interest income and our balance sheet. The model produces two measures of interest rate risk: Net Interest Income at Risk (“NII at Risk”), and Economic Value of Equity (“EVE”). NII at Risk uses various assumptions for assets, liabilities, and derivatives to measure annual changes in net interest income assuming a flat balance sheet and an instantaneous and parallel shift in market interest rates in 100 basis point increments. We report NII at Risk to isolate the change in income related solely to interest-earning assets and interest-bearing liabilities. The model results do not take into consideration any steps management might take to respond to the changes in interest rates. EVE measures the period end market value of assets minus the market value of liabilities and the change in this value as rates change. EVE results are compared to previous periods and established policies on a quarterly basis. The asset/liability management policy sets limits on the acceptable amount of variance in NII at Risk and EVE under changing interest environments.

The following table summarizes the estimated effect on NII at Risk and EVE from changing interest rates as measured against a flat rate (no interest rate change) instantaneous parallel shock scenario over a twelve-month period utilizing an interest sensitivity analysis based on our specific mix of interest-earning assets and interest-bearing liabilities as of March 31, 2026.

	March 31, 2026	
	Estimated Change in NII (as % of NII)	Estimated Change in EVE (as % of EVE)
+300	12.4%	(2.6)%
+200	8.3%	(1.6)%
+100	4.2%	(0.7)%
+0 (flat)	—	—
-100	(4.3)%	0.5%
-200	(8.5)%	0.6%
-300	(13.0)%	0.2%

As of March 31, 2026, our NII at Risk profile is asset sensitive reflecting assets that reprice faster than our liabilities. Actual results could vary materially from those calculated by our model, due to a variety of factors or assumptions such as the uncertainty of the magnitude, timing and direction of future interest rate movement or the shape of the yield curve. The NII at Risk and the EVE results are within board approved policy limits.

The following table summarizes the estimated effect on NII at Risk and EVE from changing interest rates as measured against a flat rate (no interest rate change) instantaneous parallel shock scenario over a twelve-month period utilizing an interest sensitivity analysis based on our specific mix of interest-earning assets and interest-bearing liabilities as of December 31, 2025.

	December 31, 2025	
	Estimated Change in NII (as % of NII)	Estimated Change in EVE (as % of EVE)
+300	12.0%	(4.7)%
+200	8.1%	(3.0)%
+100	4.0%	(1.5)%
+0 (flat)	—	—
-100	(4.2)%	1.3%
-200	(8.4)%	2.2%
-300	(12.7)%	2.5%

At December 31, 2025, our NII at Risk profile is asset sensitive reflecting assets that reprice faster than our liabilities. Actual results could vary materially from those calculated by our model, due to a variety of factors or assumptions such as the uncertainty of the magnitude, timing and direction of future interest rate movement or the shape of the yield curve. The NII at Risk and the EVE results are within board approved policy limits.

The computation of the prospective effects of hypothetical interest rate changes requires numerous assumptions, which are based upon our experience and published industry experience including, but not limited to, assumptions relating to expected maturities, hypothetical changes in interest rates, decay rates, and deposit betas. Such assumptions may not necessarily reflect the manner or timing in which our interest-earning assets and interest-bearing liabilities respond to changes in market rates. Because these assumptions are inherently uncertain, actual results will differ from simulated results.

Unregistered Sales of Equity Securities and Use of Proceeds

The following table shows the repurchases made by the Bank during the periods indicated:

	Issuer Purchases of Equity Securities			
	(a)	(b)	(c)	(d)
Period	Total Number of Shares Purchased	Average Price Paid per Share	Total Number of Shares Purchased as Part of Approved Plan	Maximum Dollar Amount that May Yet Be Purchased Under the Plan
				(dollars in thousands)
April 1, 2026 to April 30, 2026	—	$ —	—	$20,000
May 1, 2026 to May 31, 2026	297,600	41.00	297,600	7,798
June 1, 2026 to June 30, 2026	30,906	41.29	30,906	6,523
Total	328,506	$41.03	328,506	$ 6,523

BUSINESS

Company Overview

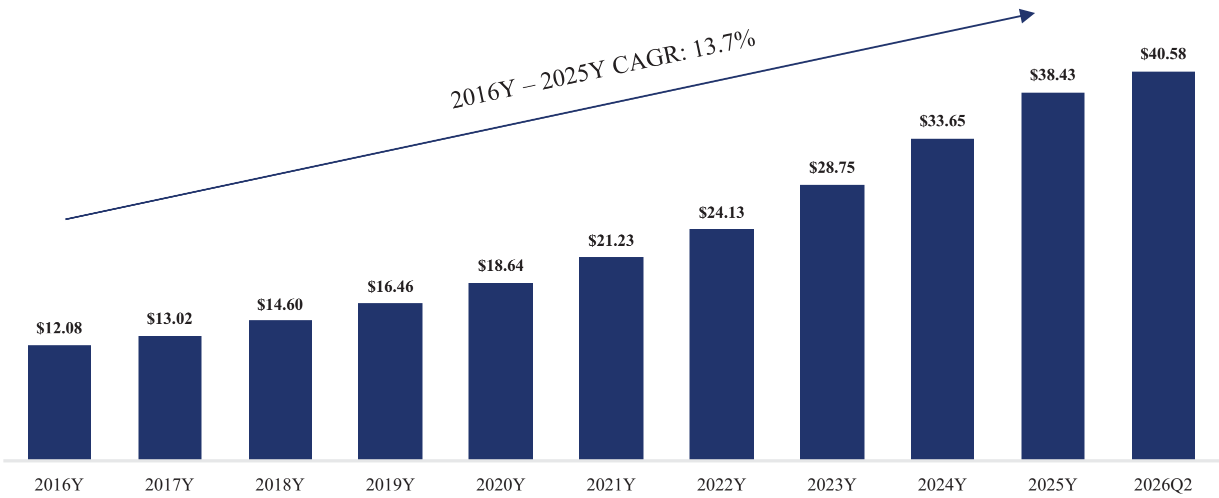
River City Bank is a California-chartered commercial bank headquartered in Sacramento, California. The Bank was founded in 1973 by Jon S. Kelly, a successful Sacramento-based serial entrepreneur, and aimed to provide customers with high-quality financial services with a focus on responsiveness and reliability. We are one of Northern California's largest and most established independent financial institutions, ranking fifth by deposits in the Sacramento-Roseville-Folsom metropolitan statistical area (the "Sacramento MSA") as of June 30, 2025, and serve clients through eight full-service branches across the Sacramento MSA and a loan production office in San Francisco, California. We are the largest independent bank headquartered in Sacramento, the capital of California, which is the largest and most diversified state by GDP in the United States and, according to the latest available IMF World Economic Outlook and Bureau of Economic Analysis data, would rank fifth in GDP in the world if it were a country. Since late 2008, when Stephen A. ("Steve") Fleming joined the Bank as President and Chief Executive Officer, and early 2009 when Shawn Kelly Devlin took over as Chairman of the River City Bank Board, the Bank has emphasized shareholder value creation through conservative credit practices and relentless focus on operational efficiency, which has led to consistent and robust earnings performance and strong organic growth. As of June 30, 2026, we reported total assets of $6.0 billion, total deposits of $5.4 billion, total loans of $4.7 billion, and total shareholders' equity of $568 million.

Our success is driven by:

- Our boutique commercial banking model, which provides tailored financial solutions to our customers utilizing a consultative selling approach;
- Robust and disciplined organic growth achieved without compromising credit quality;
- Maintaining our position as an efficient and low-cost provider of financial products and services;
- A focused expertise in CRE lending, where we have a long history of strong performance;
- An unwavering commitment to conservative credit standards and prudent risk management;
- Active management of interest rate risk through the strategic use of derivative instruments for hedging; and
- A shareholder-oriented culture, with a commitment to compounding tangible book value at an accelerated rate.

Our focused business model has delivered consistent results for our shareholders, with tangible book value per share having grown from $12.08 per share as of December 31, 2016 to $40.58 per share as of June 30, 2026. From December 31, 2016 to December 31, 2025, we achieved a 13.7% CAGR. The year-to-date increase in tangible book value per share was impacted by approximately $13.5 million of share repurchases completed during the first half of 2026. Tangible book value per share is a financial measure that is not presented in accordance with accounting principles generally accepted in the United States, or GAAP. See section entitled "*Non-GAAP Financial Measures*" for more information.

Tangible Book Value per Share (1)



(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure. 2016 is the only shown year that differs from Book Value per Share, a GAAP accepted metric.

Deep and Experienced Management Team

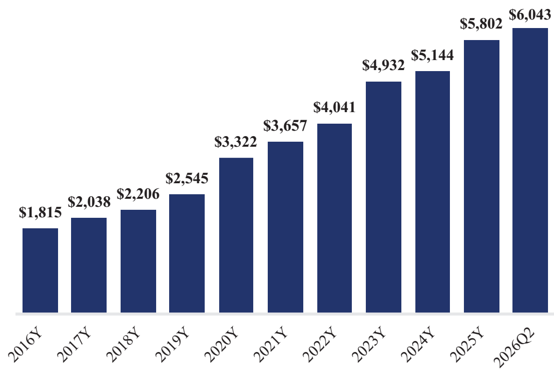
Our seasoned executive management team has consistently delivered shareholder value through disciplined organic growth and sustained profitability. Members of our leadership team have, on average, more than 24 years of experience working at various sized financial institutions through multiple economic cycles, providing the necessary perspective to navigate changing market conditions. Our leadership team members have been with the Bank for an average of 15 years, a tenure that provides stability and continuity. Our executive team has built a transparent and entrepreneurial culture that emphasizes accountability, innovation, integrity and collaboration; values that have driven our ability to attract and retain exceptional banking talent and maintain long-standing relationships with clients and stakeholders.

Balance Sheet Growth & Financial Returns

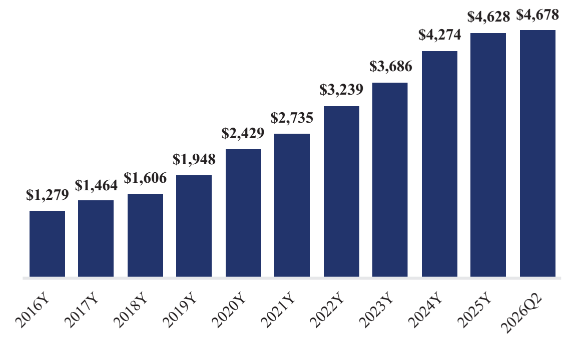
We have delivered consistent and attractive profitability through multiple economic cycles, supported by disciplined balance-sheet management and a consistent, repeatable operating model. Our proactive interest-rate risk management has enabled us to maintain a steady net interest margin through some of the most challenging and volatile rate environments. During the aggressive rate hike cycle of 2022-2023, our hedging strategy kept our margin stable and allowed us to move through a difficult period for the industry with no disruption to our consistent and strong financial results.

From December 31, 2016 through June 30, 2026, we grew our total assets from $1.8 billion to $6.0 billion, total gross loans from $1.3 billion to $4.7 billion, total deposits from $1.3 billion to $5.4 billion, and total shareholders' equity from $171 million to $568 million. The charts below illustrate the growth in the dollar balances of our total assets, loans, deposits, and shareholders' equity for the ten-and-a-half-year period ended June 30, 2026.

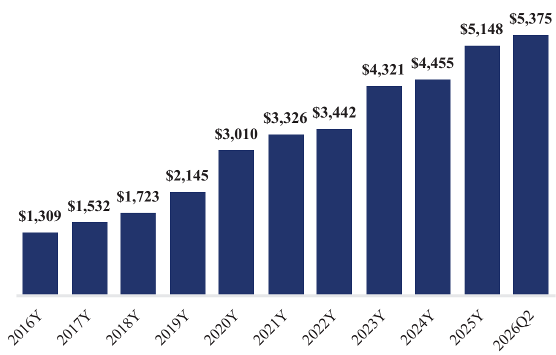
Total Assets
($ in millions)



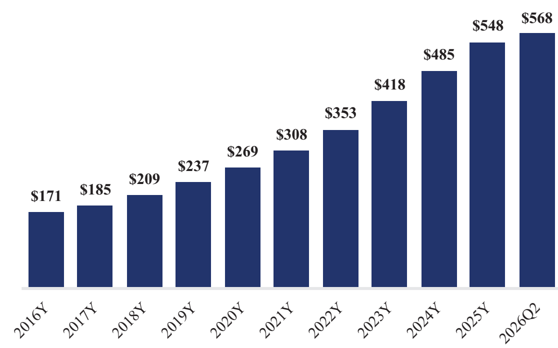
Total Loans
($ in millions)



Total Deposits
($ in millions)

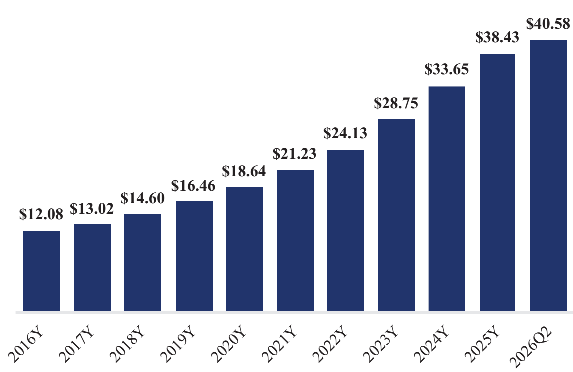


Total Shareholders' Equity
($ in millions)

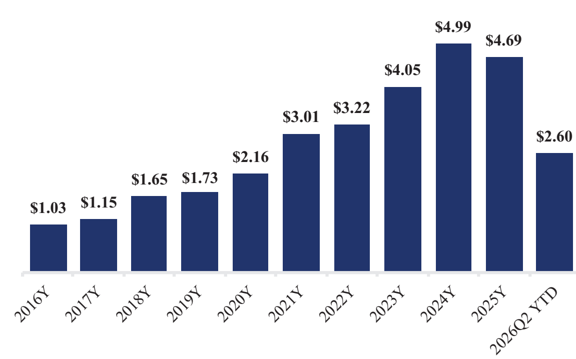


Over the past ten-and-a-half years, we have delivered consistent growth per share in each of tangible book value per share and earnings per share. Tangible book value per share increased from $12.08 as of December 31, 2016 to $40.58 as of June 30, 2026. Earnings per share rose from $1.03 for the year ended December 31, 2016 to $4.69 for the year ended December 31, 2025. This sustained performance reflects our ability to compound shareholder value through stable earnings and prudent balance sheet management. The tables below include financial measures that are not presented in accordance with GAAP. See section entitled "*Non-GAAP Financial Measures*" for more information.

Tangible Book Value per Share (1)



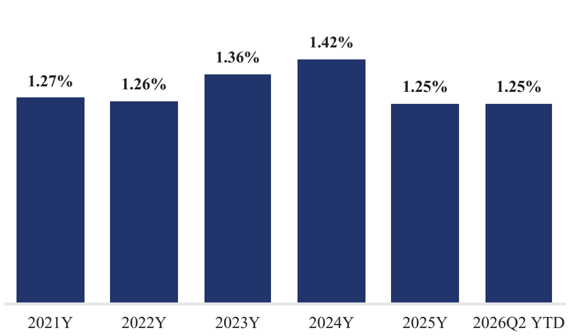
Earnings per Share



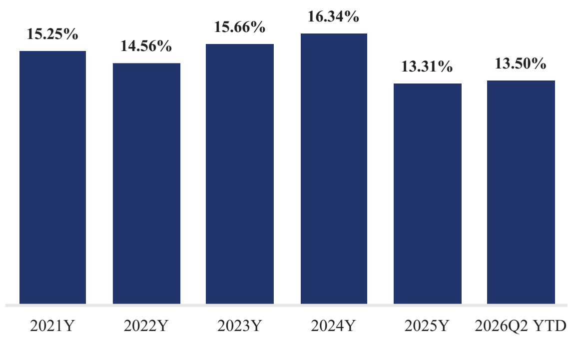
(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure. 2016 is the only shown year that differs from Book Value per Share, a GAAP accepted metric.

Over the five-and-a-half-year period ended June 30, 2026, we have delivered consistent profitability while continuing to grow the balance sheet, maintaining a strong ROAA and ROAE.

ROAA



ROAE

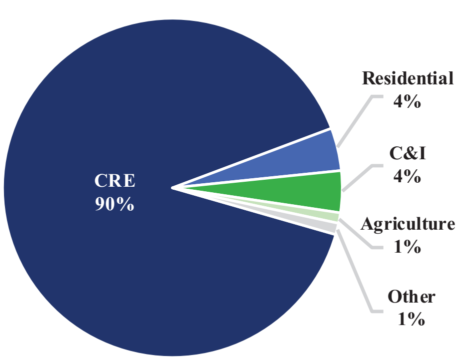


Attractive Lending Portfolio and Unwavering Credit Quality Discipline

Our loan portfolio is concentrated in CRE, with 90.2% of our outstanding loans secured by commercial real estate as of June 30, 2026. Maintaining sound asset quality is a top priority, and we have a long track record of negligible loan losses, non-performing assets, and other OREO. Our underwriting and credit philosophy is focused on:

- Low financial leverage borrower profile at origination, as evidenced by the credit metrics (*i.e.*, LTV ratios, debt yields, and DSCR ratios);
- A borrower/sponsor profile of seasoned (through various economic cycles) CRE professionals and family offices who typically own multiple properties, have a long-term orientation, and have significant "skin in the game";
- Collateral in the form of stabilized occupancy properties which provide significant and reliable cash flow with little reliance on speculative "value-add" actions in the future;
- Regular and proactive communication with borrowers to ensure ongoing credit oversight, including early identification of problems or issues;
- A rigorous and frequent portfolio review process with the Bank's senior management and the portfolio management team, resulting in timely changes in risk ratings and action plans to protect the Bank's exposure, when appropriate; and
- An experienced and well-trained credit analysis and portfolio management team with extensive industry expertise.

Loan Portfolio Composition
As of June 30, 2026

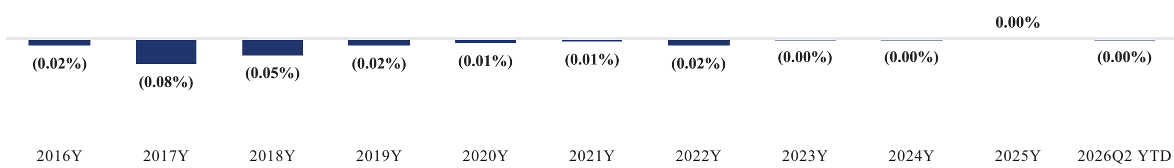


Loan Portfolio Breakout
As of June 30, 2026

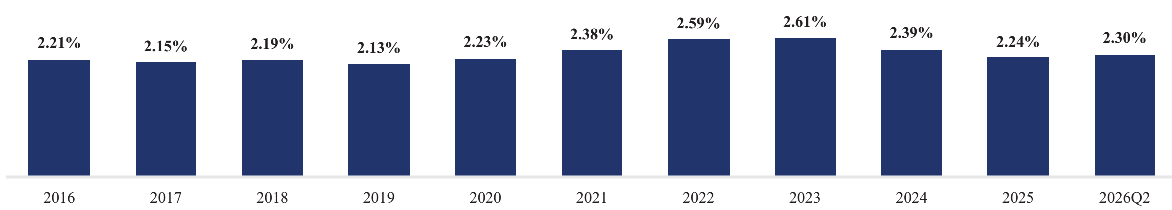
Category	Amount	Accounts	W.A. Yield	% Fixed Rate	% of Portfolio
CRE	$4,222	657	4.61%	77%	90%
Residential	$ 191	486	3.74%	100%	4%
C&I	$ 155	245	5.42%	50%	4%
Agriculture	$ 59	27	6.04%	44%	1%
Other	$ 51	176	6.81%	38%	1%
Total	**$4,678**	**1,591**	**4.64%**	**76%**	**100%**

We maintain a disciplined, loan-level approach to credit oversight that emphasizes continuous monitoring of borrower performance and collateral strength. Each credit relationship is reviewed regularly, with management evaluating both current and projected cash-flow metrics across the portfolio. In addition, we assess concentration exposure by asset class, property type, tenancy, and geography, as well as how potential shocks to collateral values could affect LTV and leverage profiles. This proactive monitoring framework allows us to identify emerging risks early and adjust underwriting, pricing, or reserve strategies as appropriate. Through this consistent, data-driven approach, the Bank has developed a long-standing record of pristine asset quality, characterized by negligible charge-offs, low levels of non-performing assets, and stable credit performance across market cycles. In addition, we maintain an adequate allowance for credit losses. The following charts show our net charge-offs (recoveries) and our allowance for credit losses compared to total loans over the ten-and-a-half-year period ended June 30, 2026.

Net Charge-Offs (Recoveries) / Average Loans



Allowance for Credit Losses / Loans



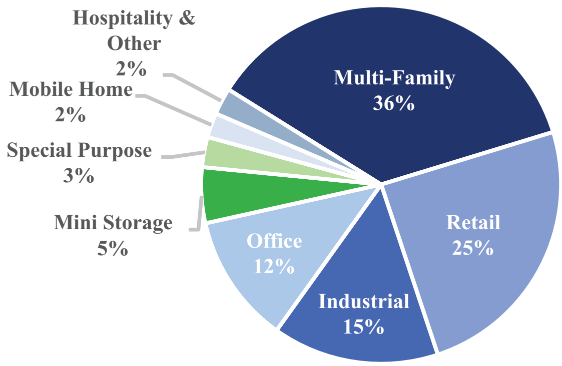
Our CRE loan portfolio exhibits exceptionally strong credit characteristics, with a weighted average LTV ratio of 39% at origination (for the portfolio as of June 30, 2026). Additionally, the CRE loan portfolio has an estimated weighted average debt yield of 16.8%, and an estimated DSCR of 2.49, both as of March 31, 2026. These metrics reflect a low-leverage portfolio supported by substantial borrower equity and strong cash flow coverage, consistent with our emphasis on risk-adjusted performance and prudent growth. The following table provides the weighted average LTV at origination by CRE asset classes within our CRE loan portfolio at June 30, 2026.

$ in millions **CRE Asset Class**	**Balance**	**% of CRE Outstanding**	**LTV W.A.**	**Count**
Multifamily	$1,527	36%	39%	181
Retail	$1,034	25%	39%	152
Industrial	$ 631	15%	38%	132
Office	$ 489	12%	44%	95
Mini Storage	$ 230	5%	35%	45
Mobile Home	$ 92	2%	35%	17
Special Purpose	$ 114	3%	34%	14
Hospitality	$ 97	2%	38%	14
Other	$ 9	0%	37%	7
Total	**$4,222**	**100%**	**39%**	**657**

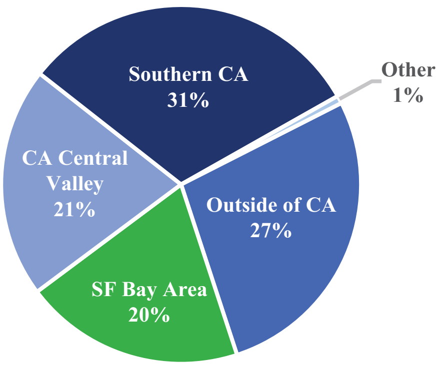
We focus our CRE lending on properties with stable operating histories, experienced sponsors, and predictable income streams, supported by comprehensive cash flow analysis and ongoing review of debt service capacity. Each loan is subject to stringent credit approval processes that consider borrower experience, property location, performance trends, including foot traffic, construction quality, and geographic or sector concentration limits. Loans are generally originated with meaningful borrower equity contributions (50% LTV or less), aligning incentives between our clients and our institution. This strategic approach underpins our ability to maintain credit quality through economic cycles and changing rate environments.

The CRE portfolio is geographically diversified throughout the Western United States, with the largest exposures in Southern California, the Central Valley, and the San Francisco Bay Area. In the last four years, the Bank has extended its CRE lending platform outside of California, with out-of-state loans comprising approximately 27% of the CRE portfolio as of June 30, 2026, while maintaining the same credit discipline. This regional diversification is intended to increase opportunities across distinct economic centers while limiting exposure concentrations. As we diversify geographically, we remain committed to the same credit standards that have defined our lending philosophy over the past 18 years. The following charts show the Bank's CRE portfolio by asset class and geography as of June 30, 2026.

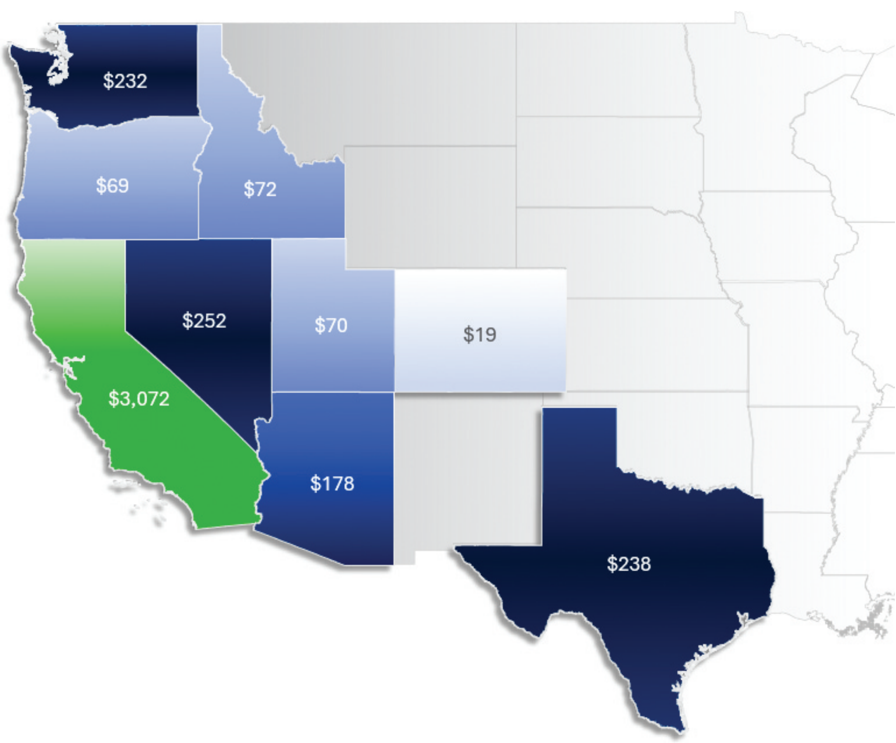
CRE by Asset Class
As of June 30, 2026



CRE by Geography
As of June 30, 2026

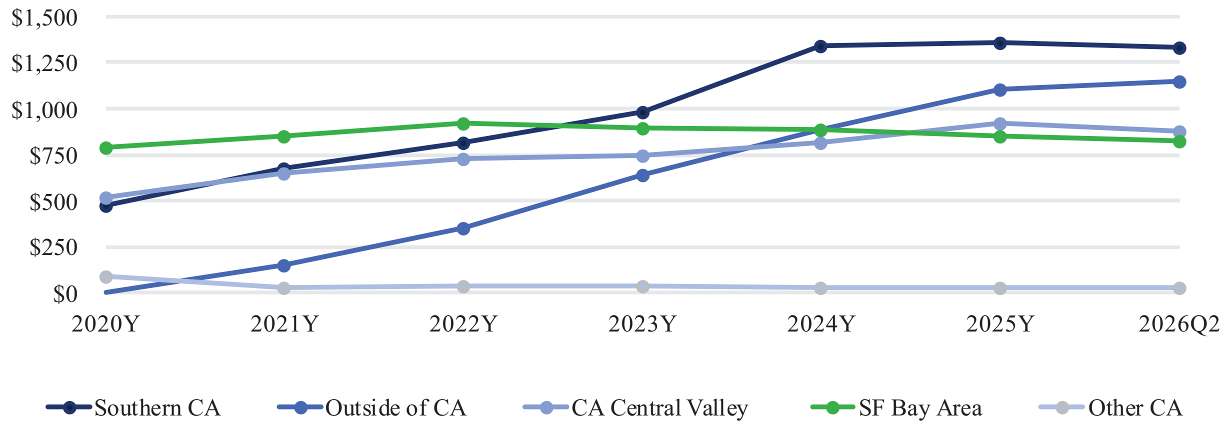


CRE by Geography (Western U.S.)
As of June 30, 2026; ($ in millions)



The following chart presents the Bank's CRE portfolio by significant geographic region, over the last five-and-a-half years.

CRE by Geography (Historical)
($ in millions)



Approximately 70% of new CRE lending originates through relationships with external mortgage bankers. We have cultivated long-standing, high-quality relationships with our mortgage banker network, emphasizing transparency, reliability, and efficient execution. The mortgage bankers are seasoned CRE professionals who source opportunities for the Bank that are consistent with our disciplined underwriting standards, working with the Bank's business development officers throughout the process. The Bank has business development officers located throughout California, as well as in Texas and Washington. We do not compensate the mortgage bankers because they represent the borrowers and their fees are paid by the borrower. Our business development officers are compensated under an incentive-based structure that emphasizes growth, long-term relationship building, and ongoing credit quality (*i.e.*, there are claw-back provisions if the Bank sustains a loan loss).

Although many loans are originally sourced through this mortgage banker network, the Bank spends a significant amount of time developing direct relationships with our borrowers. Before a new loan relationship commences, Bank executive management (typically our Chief Executive Officer) meets with the borrower as part of our due diligence process. The Bank takes an active role in diligence and onboarding, ensuring each transaction meets our stringent credit requirements. Our loan origination process provides a continuous flow of qualified loan opportunities while enabling us to maintain an efficient internal structure focused on underwriting and risk management. Each transaction follows a high-touch, tailored process designed to align credit structures with client needs and collateral profiles. All loans are evaluated and approved through a centralized process at the Bank. Our underwriting practices are designed to ensure prudent credit decisions and consistency in the assessment of borrower capacity, collateral coverage, and overall risk tolerance.

Compelling Operational Efficiency

Our emphasis on disciplined expense management, combined with a scalable infrastructure, allows us to generate revenue growth at a rate that consistently exceeds expense growth. This model provides significant operating leverage and supports premium profitability even in a low-margin environment. The result is a resilient earnings profile that enables us to bank larger and more sophisticated customers while preserving our focus on asset quality, prudent growth, and long-term shareholder value.

We pride ourselves on being the low-cost provider of financial services to our customers while delivering an exceptional experience for the client. We maintain an intense focus on our overhead costs to deliver superior financial returns while targeting the highest quality borrowers, which typically come with lower loan yields but higher credit quality. We maintain our low overhead by:

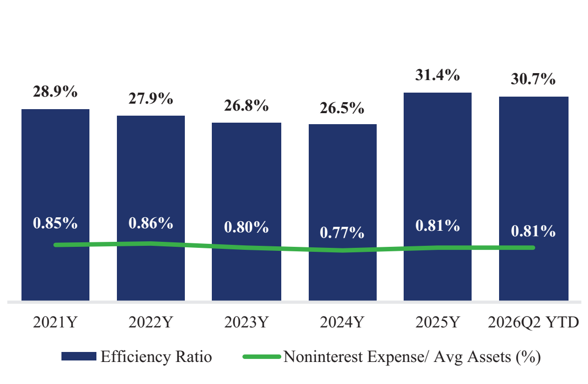
- Creating a culture where operating expenses are regularly scrutinized and employees are encouraged to find process improvements;
- Operating a branch-light, hybrid business model that emphasizes efficiency and scalability;
- Attracting, retaining, and developing high-performing talent;
- Leveraging a well-established mortgage banker network to source qualified CRE loan opportunities; and
- Maintaining a strategic focus on larger, higher-quality borrowers and depositors to achieve greater scale and operational efficiency.

Our disciplined approach to operating efficiency is complemented by rigorous assessment and recognition of our people's performance, putting them in roles which take advantage of their best skills, and continued investment in their personal development. We have built a team of highly skilled and experienced relationship bankers, credit professionals, finance, and operations specialists who combine relationship-based service with rigorous execution. We maintain a dedicated college campus recruiting program to identify and develop emerging talent and emphasize professional advancement and retention through training, mentorship, and internal promotion. This deliberate focus on human capital has produced a highly engaged and productive workforce, allowing us to operate efficient staffing levels without compromising client experience, risk management, or regulatory compliance.

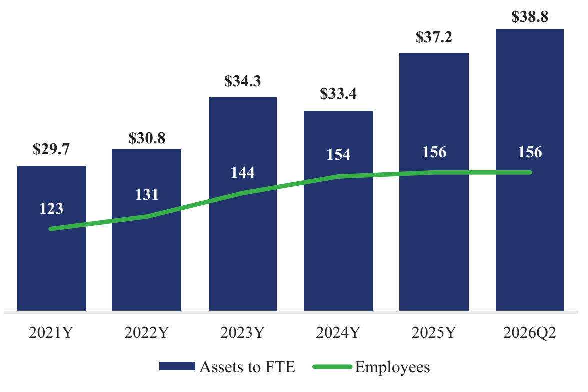
Additionally, our strategic investments in technology and operating infrastructure continue to enhance scalability and strengthen process efficiency. Our core systems support centralized credit administration, portfolio monitoring, and streamlined treasury and loan operations, providing the capacity to accommodate meaningful growth without proportional increases in expense. These investments have enabled us to expand our balance sheet and client base at above industry average, while maintaining tight control over operating costs. Our operating infrastructure and institutional capabilities allow us to serve larger and more sophisticated clients as the Bank grows. Having a low operating cost base allows us to offer highly competitive pricing to our clients and make investments in our infrastructure without significant cost concerns.

We believe this combination of cost efficiency, talent depth, and scalable infrastructure provides a durable competitive advantage. It enables us to generate strong, consistent financial returns for our shareholders despite a modest net interest margin, while maintaining our long-standing emphasis on credit quality and prudent growth (*i.e.*, producing strong risk-adjusted returns).

Efficiency Ratio (1) & Noninterest Expense / Avg. Assets



Assets to FTE ($ in millions) & Employees

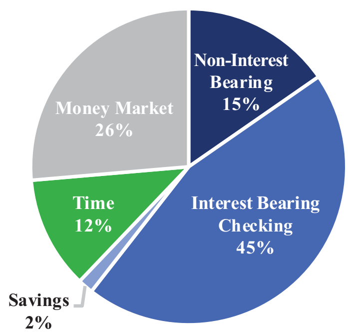


(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

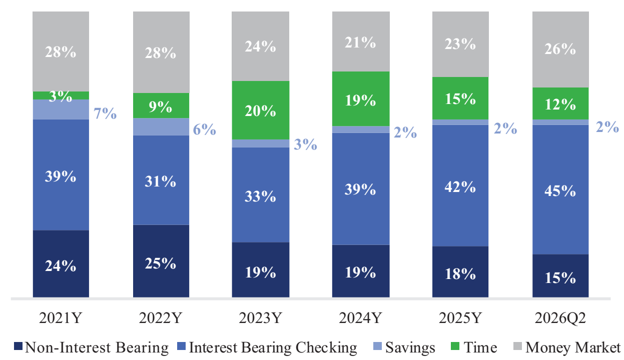
Stable and Diversified Deposit Portfolio

We provide a full range of deposit products, including noninterest-bearing checking, interest-bearing checking, money market, savings, and time deposit accounts. Our deposit base reflects a diversified funding mix supported by long-standing client relationships with individuals, businesses and public entities. Over time, our composition has remained relatively balanced, with a gradual shift toward higher-yielding time deposits as clients seek greater returns in the current rate environment. This mix supports liquidity and margin management and underscores our disciplined approach to balance sheet management.

Deposit Composition
As of June 30, 2026



Historical Deposit Composition

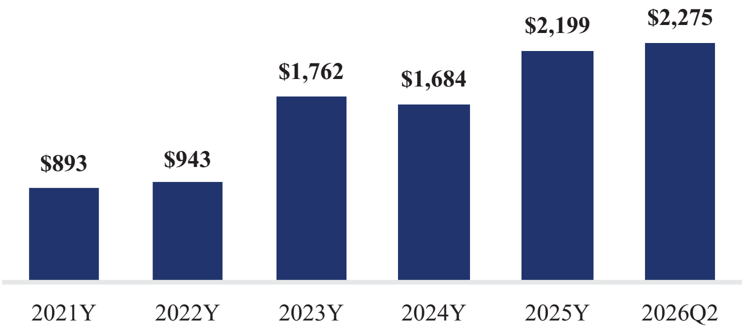


The Bank infrequently uses wholesale funding sources, such as borrowings from the Federal Home Loan Bank of San Francisco. Core deposit gathering, primarily from commercial customers, remains a strategic priority for the Bank. A significant number of our deposits are sourced from individuals and businesses located in California and are gathered through our premier bankers, C&I relationship managers and limited branch network, which enables us to serve clients efficiently while maintaining strong relationships. To support deposit growth, we maintain deposit-specific relationship officers who focus on originating and expanding core deposit relationships, and our team across departments is incentivized to attract and retain deposits. We also recently established a specialty deposits group focused on developing relationships in real estate adjacent industries, such as property management and IRS Section 1031 tax-free exchange accommodators to further diversify and expand our funding base.

A distinctive component of our deposit portfolio, primarily in California, consists of relationships with CCA entities, which represent a significant portion of our overall deposits. CCAs were legislatively created in California in 2002 to allow cities, counties, and/or joint powers authorities to procure electricity generation on behalf of residents and businesses that operate within areas previously only served by investor-owned utilities. Electricity delivery, billing, and grid services remain with the investor-owned utilities, while electricity procurement is competitive between the CCAs and investor-owned utilities.

The Bank provided banking services to the first CCA created in California in 2010 and has grown the practice from that time on. Today, we maintain banking relationships with the majority of CCAs operating in California, supported by our deep understanding of the CCA sector and our ability to deliver tailored financial solutions. We provide a comprehensive suite of products designed to meet the unique needs of CCA clients. Through dedicated relationship management and consistent execution, River City Bank has become the preferred banking partner for California's CCA industry, a position that underscores our expertise in servicing large and complex institutional depositors and a leader in the Clean Energy sector.

Community Choice Aggregation Deposits
($ in millions)

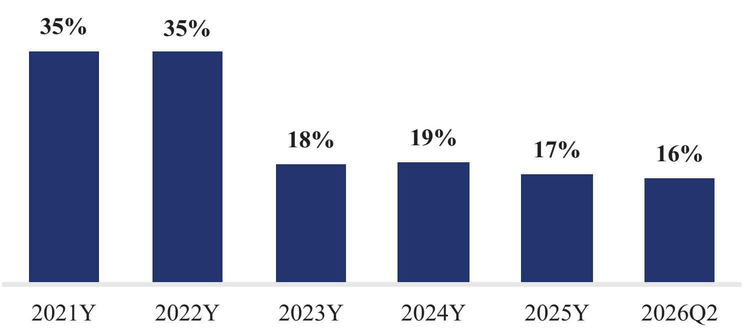


Recognizing the risks associated with funding concentrations, the Bank closely monitors the liquidity impact of the CCA deposits and takes additional risk management measures to mitigate these risks. As part of the Bank's focused liquidity risk management practices, the Bank performs CCA specific liquidity stress tests as well as maintaining an additional liquidity buffer to offset increased levels of concentration. The CCA specific liquidity stress tests are designed to ensure adequate funding capacity if there were to be a significant change to deposit balances of CCA customers. As of June 30, 2026, the Bank had total liquidity (consisting of cash and cash equivalents, unpledged available-for-sale investment securities, and unused and immediately available borrowing capacity) of $2.9 billion.

A large proportion of our deposits are insured through reciprocal deposit networks, which allow clients to obtain full FDIC insurance coverage while maintaining their primary banking relationship with the Bank. Although a portion of these reciprocal deposits are reported as "brokered" for regulatory purposes in our Call Reports, they represent core relationship clients who utilize reciprocal programs solely for expanded insurance coverage. These networks enhance deposit stability and help us manage concentration and liquidity risk while maintaining direct client relationships. We do not regularly maintain traditional brokered deposits from non-relationship or wholesale funding sources.

In addition, the Bank maintains a significant presence in public sector banking, which includes its relationships with CCAs. Under the California Government Code, the Bank is required to provide either full insurance coverage or collateralization of public deposits, which may include investment securities or standby letters of credit issued by the Federal Home Loan Bank of San Francisco. As a result, the ratio of uninsured deposits less collateralized deposits to total deposits remains low, at 16.1% as of June 30, 2026. As shown in the table below, following the 2023 banking crisis, many depositors sought to increase their use of fully FDIC-insured products, contributing to the Bank's strong level of insured and collateralized deposits.

Uninsured Deposits Less Collateralized Deposits /
Total Deposits

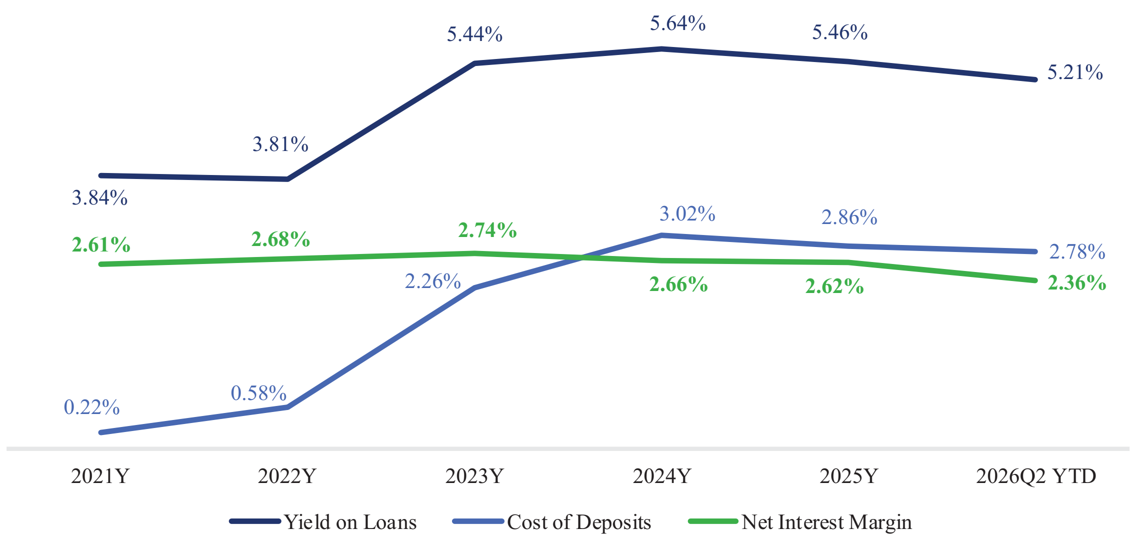


Strong Risk Management Practices and an Active ALM Strategy

We place significant emphasis on risk management as an integral component of our organizational culture without sacrificing growth. We believe our comprehensive risk management practices are designed to ensure we have sound policies and procedures to address risk (which include market, operational, liquidity, interest rate sensitivity, credit, insurance, regulatory, legal and reputational risk).

As a significant portion of our deposits are sensitive to changes in interest rates and the majority of our CRE loans are fixed for five to ten years, we actively manage interest rate risk through several approaches. We employ derivative instruments in the form of interest rate swaps to convert portions of our fixed-rate loan portfolio into floating-rate assets, aligning the interest rate sensitivity of our assets with that of our funding base, to maintain a relatively neutral interest rate risk profile. As of June 30, 2026, we have interest rate swaps in place with a notional balance of $2.52 billion, all entered into to mitigate interest rate risk. We also keep the effective duration of our investment portfolio relatively short, which was 1.17 years as of June 30, 2026. This disciplined approach to ALM allows us to maintain a stable net interest margin through varying rate environments, including the timeframe of 2022-2023 as the Federal Reserve's Federal Open Market Committee raised rates significantly over a relatively short amount of time. Importantly, the Bank has not engaged in "balance sheet re-positioning" to make up for poor interest rate risk decisions from the past. Ensuring interest rate risk is properly mitigated, combined with our focus on rigorous credit risk management and operating efficiency, has delivered consistent returns to shareholders through various interest rate cycles.

Yields and Costs Over Time

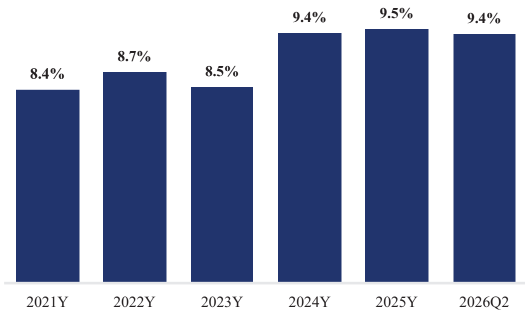


Solid Capital Position

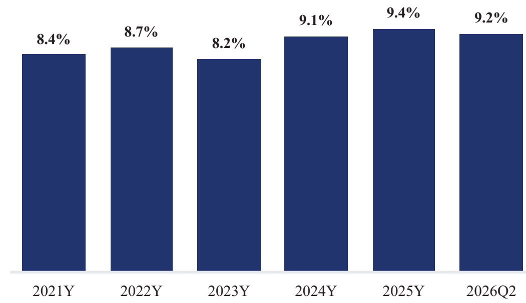
Notwithstanding our rapid growth, the Bank has consistently maintained strong capital levels via solid earnings, a modest dividend, and disciplined balance-sheet management. Our capital base has been built primarily through organic earnings retention, enabling us to sustain growth and reinvest in our business without the need for external capital raises. We have historically generated sufficient internal capital to fund asset growth, support dividend payments, repurchase Bank stock at advantageous times, and maintain ratios well above the regulatory thresholds for a "well-capitalized" institution. Our capital strength is further reinforced by minimal realized and unrealized losses on our securities portfolio, reflecting our conservative investment philosophy and short-duration positioning, which limits exposure to market-driven valuation volatility.

We recognize that our business model includes a high concentration of CRE loans, and we manage this exposure within a robust capital and risk-management framework. We employ stringent credit underwriting standards and perform comprehensive stress testing of our capital adequacy each quarter under a range of adverse economic and property-value scenarios. These analyses evaluate the sensitivity of our capital position to potential declines in collateral values, shifts in LTV ratios, and higher vacancy or capitalization rates. The results consistently demonstrate our ability to absorb severe stress assumptions while maintaining capital comfortably above regulatory requirements.

TCE Ratio (1)



Tier 1 Leverage Ratio



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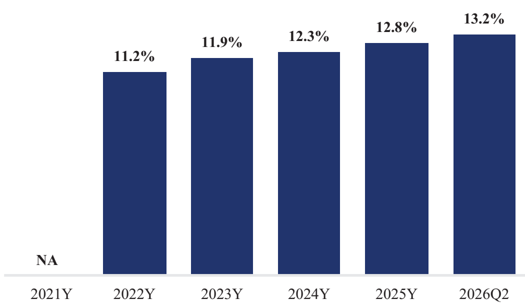
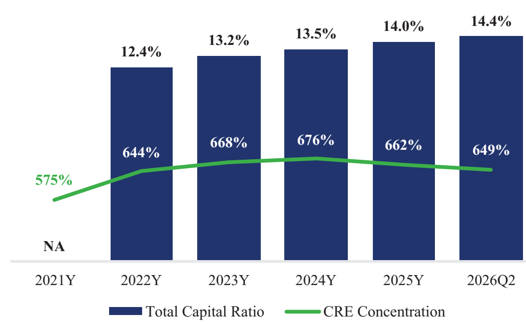
(1) Considered a non-GAAP financial measure. See the section entitled "Non-GAAP Financial Measures" for a reconciliation of our non-GAAP financial measures to the most directly comparable GAAP financial measure.

Tier 1 Ratio
(Followed Community Bank Leverage Ratio framework in 2021)



Total Risk Based Capital Ratio & CRE Concentration
(Followed Community Bank Leverage Ratio framework in 2021)



Significant Markets

Our headquarters and operations are based in Sacramento, California, a market that we believe offers an attractive cost of living, access to skilled professionals, and proximity to major universities, which provide a steady pipeline of talent. While we maintain our physical presence in Sacramento, our customers are primarily located across the California Central Valley, the San Francisco Bay Area, and Southern California; three of the most economically dynamic regions in the country. These markets benefit from strong population growth and varied industries. In recent years, we have diversified our loan portfolio beyond California, expanding relationships with high-quality borrowers in new markets throughout the Western United States while maintaining our disciplined credit standards.

California

California is one of the world's most robust economies, boasting a GDP of $4.3 trillion as of December 2025, ranking as the largest economy in the United States and fifth largest in the world if it were its own country, ahead of India, France, and the United Kingdom. California is home to nearly 40 million individuals, serving as a world-leading hub for the technology, entertainment, agriculture, and real estate industries. As the United States' largest economy, the California banking market covers ample deposit and lending opportunities in which we believe we are deeply ingrained.

Sacramento and the Central Valley

Sacramento, the state capital of California, serves as both our headquarters and part of our primary market. As the largest community bank by market share in the Sacramento MSA, we are deeply integrated into the region's business, non-profit/charitable, and professional landscape. The Sacramento MSA benefits from a diverse economy anchored by government, healthcare, real estate, and agribusiness, providing a stable foundation for commercial and consumer banking activity. Greater Sacramento's population has grown to nearly 2.5 million, with median household income of $98,775, above the national median of $81,600. Nearly 90% of residents hold a high school degree or higher. Deposit growth in this market continues to be supported by long-standing relationships with regional businesses and professional clients, while lending demand remains strong. Our locally based decision-making and direct access to senior leadership remain central to our competitive positioning within this market.

California's Central Valley, positioned between the Sierra Nevada mountains and Pacific Coast, is one of the most fertile farming areas in the world. The Central Valley is home to nearly 5.0 million individuals (excluding Sacramento County) and over 250 types of crops. The Central Valley provides more than 40% of the fruits, vegetables, and nuts grown in the United States, establishing the region as an agricultural hub. The Central Valley comprises 1% of U.S. farmland while supplying over 8% of U.S. agriculture output by value and a quarter of the nation's food, per USGS. The economic power and importance of the region drives ample lending opportunities, creating an attractive marketplace for community banks to participate in and compete for relationships.

San Francisco Bay Area

The San Francisco Bay Area, including Silicon Valley, is one of the strongest economies and most sophisticated markets in the United States. As the home to over 40 Fortune 500 companies, the San Francisco Bay Area supports a diverse economy that is centered around technology, sciences, capital, and international trade. The region's businesses and individuals drive demand for both lending and deposit services, creating a competitive and dynamic marketplace. The San Francisco Bay Area's population is approximately 7.7 million while median household income is approximately $136,000, over 50% higher than the national median. The San Francisco Bay Area is home to two of the most highly ranked universities in the world, Stanford University and the University of California at Berkeley. This concentration of innovation, capital, higher education, and global connectivity makes the San Francisco Bay Area one of the most financially active and competitive banking markets in the United States.

Southern California

Southern California represents a very large and key growth market that complements our established Northern California footprint. We have developed a growing base of commercial and real estate clients across Los Angeles, Orange, Riverside, and San Diego counties, supported by our responsiveness to client needs and credit expertise. We began our Southern California lending efforts in 2015, with the region's scale, industry diversification, and concentration of privately held businesses driving it to become our largest lending area at present. Southern California is home to the three largest counties by population in California, with Los Angeles, San Diego, and Orange counties combining for over 16.2 million people. The three counties held a median household income of nearly $100,000. Southern California handles over 30% of all U.S. waterborne trade, anchored by the Ports of Los Angeles and Long Beach, the busiest port complex in the nation and among the ten largest globally. This concentration of trade activity continues to drive economic expansion across the region, which has outpaced growth in the San Francisco Bay Area by nearly double. In addition to its role in global trade, Southern California benefits from a highly diversified economic base, including defense, aerospace, entertainment and media, technology, healthcare, and professional services, which helps mitigate exposure to trade-related volatility.

Other Western Lending Markets

Beyond California, we actively lend in select western states that share comparable market dynamics and credit profiles to our California lending regions. Since 2021, we have been successful in CRE lending in the greater Seattle, Portland, Las Vegas, and Phoenix markets, as well as throughout the state of Texas. Similar to how the Bank has operated in California, our lending strategy outside California emphasizes diversification and prudent credit selection, focusing on borrowers with strong financial capacity and CRE assets located in well-performing submarkets. We have negligible exposure to the office sector in urban core areas in major west coast cities (*i.e.*, San Francisco, Los Angeles, Seattle, and Portland); the majority of our office loans are in suburban or non-downtown urban areas. We maintain centralized credit administration, underwriting, and approval authorities to ensure consistency in credit quality, risk assessment, and portfolio management across all geographies. This expanded geographic reach allows us to balance concentration risk within our California portfolio while leveraging long-standing client and mortgage banker/broker relationships that extend beyond California.

Corporate Information

As a California chartered bank, we are subject to primary supervision, examination, and regulation by the DFPI and by the FDIC, our primary federal regulator.

Our principal executive offices are located at River City Bank, 2480 Natomas Park Drive, Suite 150, Sacramento, California and our telephone number at that address is (916) 567-2600. Additional information can be found on our website: www.rivercitybank.com. The information contained on our website is not part of or incorporated by reference into this offering circular.

Information Technology Systems

We have made and continue to make significant investments in our information technology systems and staff for our banking and lending operations and treasury management activities. We believe this investment will support our continued growth and enable us to enhance our capabilities to offer new products and overall customer experience, and to provide scale for future growth and acquisitions. We utilize a nationally recognized software vendor, and their support allows us to outsource our data processing. Our internal network and e-mail systems are outsourced to a third party and we have a back-up site at our Buena Park location. This back-up site provides for redundancy and disaster recovery capabilities.

The majority of our other systems including our electronic funds transfer, transaction processing and our online banking services are hosted by third-party service providers. The scalability of this infrastructure will support our growth strategy. In addition, the tested capability of these vendors to automatically switch over to standby systems should allow us to recover our systems and provide business continuity quickly in case of a disaster.

Employees and Human Capital

We believe that the success of our business is largely driven by the quality of our employees, the development of each employee's full potential and our ability to provide timely and satisfying rewards. At December 31, 2025, we employed 156 full-time equivalent employees. We are not a party to any collective bargaining agreement.

We encourage and support the growth and development of our employees and, wherever possible, seek to fill positions by promotion and transfer from within the organization. Continual learning and career development are advanced through ongoing development conversations and annual performance reviews with employees, internally developed training programs, conferences and other training events that employees are encouraged to attend in connection with their job duties. Additionally, we invest in continual learning and development through tuition reimbursement for courses, degree programs and fees paid for certifications.

On an ongoing basis, we further promote the health and wellness of our employees by keeping the employee portion of health care premiums to a minimum and sponsoring various wellness programs.

We believe employee retention is crucial to operating efficiency and achieving one of our business objectives, which is being an exceptional service provider. We believe our commitment to actively prioritizing our employees' well-being, supporting their career goals, offering competitive wages and providing valuable fringe benefits aids in retention of our top-performing employees.

Properties

Our corporate headquarters is located at 2480 Natomas Park Drive, Suite 150, Sacramento. As of August 5, 2026, in addition to our corporate headquarters, which includes our Sacramento main office branch, we operate seven other branch offices in Citrus Heights, Davis, Elk Grove, Placerville, Roseville, Sacramento, and Woodland (all in the Greater Sacramento area) and a commercial loan production office in San Francisco. We own our corporate headquarters building and five of our other locations. We lease all of our other offices. The leases for our branch offices and our commercial loan production office expire in 2027 through 2032. We believe that these facilities and additional or alternative space available to us are adequate to meet our present needs and anticipated future foreseeable needs.

Litigation

From time to time, the Bank is a party to claims and legal proceedings arising in the ordinary course of its business. Management believes that none of the legal proceedings occurring in the ordinary course of business, individually or in the aggregate, will have a material adverse impact on the financial condition or results of operations of the Bank.

SUPERVISION AND REGULATION

As a depository institution, we are extensively regulated under both federal and state law. This supervisory framework could materially impact the conduct and profitability of our activities. These laws restrict permissible activities and investments and require that we comply with law relating to lending, deposit, brokerage, and fiduciary activities. They also impose capital adequacy requirements and conditions on our ability to pay dividends to our shareholders, to repurchase our stock and to receive dividends from our subsidiary bank. Banking regulation is intended to protect depositors and consumers and not our shareholders.

The following is a brief summary of some of the significant federal and California banking laws and regulations that affect us. The discussion is qualified in its entirety by reference to the particular statutory and regulatory provisions described below and is not intended to be an exhaustive description of the statutes or regulations applicable to our business. Proposals to change the laws and regulations governing the banking industry are frequently raised at both the state and federal levels. The likelihood and timing of any changes in these laws and regulations, and the impact such changes may have on us are difficult to predict. Regulatory agencies may issue enforcement actions, policy statements, interpretive letters, and similar written guidance applicable to us. Changes in applicable laws, regulations, regulatory guidance, or their interpretation by regulatory agencies or courts may have a material adverse effect on our business, operations, and earnings. We cannot predict the effect that fiscal or monetary policies, or new federal or state legislation or regulation may have on our future business and earnings.

Overview

We are subject to extensive federal and state banking laws, regulations, and policies that are intended primarily for the protection of customers, depositors and other consumers, the FDIC's Deposit Insurance Fund (the "DIF"), and the banking system as a whole; not for the protection of our other creditors and shareholders. We are examined, supervised and regulated by the DFPI and the FDIC (our primary federal regulator) as a FDIC-insured state-chartered bank that does not have a parent bank holding company and that is not a member of the Federal Reserve System. The statutes enforced by, and regulations and policies of, these agencies affect most aspects of our business, including prescribing the permissible scope of our activities, permissible types of loans and investments, the amount of required reserves, requirements for branch offices, and various other requirements.

Our deposits are insured by the FDIC to the fullest extent permissible by law. As an insurer of deposits, the FDIC issues regulations, conducts examinations, requires the filing of reports and generally supervises the operations of all institutions to which it provides deposit insurance. In addition, because we are a state non-member bank, the FDIC is also our primary federal regulator. Accordingly, the approval of the FDIC is required for certain transactions in which we may engage, including any merger or consolidation involving us, a change in control over us, or the establishment or relocation of any of our branch offices. In reviewing applications seeking approval of such transactions, the FDIC may consider, among other things, the competitive effect and public benefits of the transactions, the capital position, financial and managerial resources and future prospects of the organizations involved in the transaction, the risks to the stability of the U.S. banking or financial system, the applicant's performance record under the CRA Act (see section entitled "—*Community Reinvestment Act*" below) and the effectiveness of the organizations involved in the transaction in combating money laundering activities. The FDIC also has the power to prohibit these and other transactions even if approval is not required, and could do so if we have otherwise failed to comply with all laws and regulations applicable to us. As a California chartered bank, the approval of the DFPI is also required for certain transactions in which we may engage, including any merger or consolidation involving us, or a change in control over us. In reviewing applications seeking approval of such transactions, the DFPI will generally consider factors similar to those considered by the FDIC.

Capital Adequacy

Depository institutions are required to maintain minimum levels of capital and are subject to consolidated risk-based and leverage capital rules. The federal banking agencies have adopted minimum risk-based capital requirements (Tier 1 capital, common equity Tier 1 capital ("CET1") and total capital) and leverage capital requirements, as well as guidelines that define components of the calculation of capital and the level of risk associated with various types of assets. Depository institutions are expected to maintain a level of capital commensurate with the risk profile assigned to their assets in accordance with the guidelines.

In addition to the minimum risk-based capital and leverage ratios, depository institutions must maintain a "capital conservation buffer" consisting of CET1 in an amount equal to 2.5% of risk-weighted assets to avoid restrictions on their ability to make capital distributions and to pay certain discretionary bonus payments to executive officers. To avoid those restrictions, the capital conservation buffer effectively increases the minimum CET1 capital, Tier 1 capital, and total capital ratios for U.S. banking organizations to 7.0%, 8.5%, and 10.5%, respectively. Banking organizations with capital levels that fall within the buffer must limit dividends, share repurchases or redemptions (unless replaced within the same calendar quarter by capital instruments of equal or higher quality), and discretionary bonus payments.

The capital rules require that goodwill and other intangible assets (other than mortgage servicing assets), net of associated deferred tax liabilities ("DTLs"), be deducted from CET1 capital. Additionally, deferred tax assets ("DTAs") that arise from net operating loss and tax credit carryforwards, net of associated DTLs and valuation allowances, are fully deducted from CET1 capital. However, DTAs arising from temporary differences that could not be realized through net operating loss carrybacks, along with mortgage servicing assets and "significant" (defined as greater than 10% of the issued and outstanding common stock of the unconsolidated financial institution) investments in the common stock of unconsolidated "financial institutions" are partially includible in CET1 capital, subject to deductions defined in the rules.

Federal banking regulators also consider interest rate risk (arising when the interest rate sensitivity of a bank's assets does not match the sensitivity of its liabilities or its off-balance-sheet position) in the evaluation of a bank's capital adequacy. Banks with excessive interest rate risk exposure are required to hold additional amounts of capital against their exposure to losses resulting from that risk. Through the risk-weighting of assets, the regulators also require banks to incorporate market risk components into their risk-based capital. Under these market risk requirements, capital is allocated to support the amount of market risk related to a bank's lending and trading activities.

Prompt Corrective Action

The Federal Deposit Insurance Act, as amended (the "FDIA"), requires federal banking agencies to take prompt corrective action ("PCA") in respect of depository institutions that do not meet minimum capital requirements. The FDIA includes the following five capital tiers: "well capitalized," "adequately capitalized," "undercapitalized," "significantly undercapitalized," and "critically undercapitalized." A depository institution's capital tier will depend upon how its capital levels compare with various relevant capital measures and certain other factors, as established by regulation. The Basel III Capital Rules revised the PCA requirements effective January 1, 2023. Under the revised PCA provisions of the FDIA, an insured depository institution generally will be classified in the following categories based on the capital measures indicated:

PCA Category	Total Risk-Based Capital Ratio	Tier 1 Risk-Based Capital Ratio	CET1 Risk-Based Ratio	Tier 1 Leverage Ratio
Well capitalized	10%	8%	6.5%	5%
Adequately capitalized	8%	6%	4.5%	4%
Undercapitalized	<8%	<6%	<4.5%	<4%
Significantly undercapitalized	<6%	<4%	<3.0%	<3%
Critically undercapitalized		Tangible Equity/Total Assets ≤ 2%		

A bank's capital category is determined solely for the purpose of applying PCA regulations and the capital category may not constitute an accurate representation of the bank's overall financial condition or prospects for other purposes.

An institution may be reclassified if the appropriate federal banking agency determines (after notice and opportunity for a hearing) that the institution is in an unsafe or unsound condition or deems the institution to be engaging in an unsafe or unsound practice. The appropriate agency is also permitted to require an adequately capitalized or undercapitalized institution to comply with the supervisory provisions as if the institution were in the next lower category (but not treat a significantly undercapitalized institution as critically undercapitalized) based on supervisory information other than the capital levels of the institution.

At each successively lower capital category, an insured bank is subject to increased restrictions on its operations. For example, a bank is generally prohibited from paying management fees to any controlling persons or from making capital distributions if to do so would make the bank "undercapitalized." Asset growth and branching restrictions apply to undercapitalized banks, which are required to submit written capital restoration plans meeting specified requirements (including a guarantee by the parent holding company, if any). "Significantly undercapitalized" banks are subject to broad regulatory authority, including among other things, capital directives, forced mergers, restrictions on the rates of interest they may pay on deposits, restrictions on asset growth and activities, and prohibitions on paying bonuses or increasing compensation to senior executive officers without FDIC approval. Even more severe restrictions apply to "critically undercapitalized" banks. Most importantly, except under limited circumstances, not later than 90 days after an insured bank becomes critically undercapitalized the appropriate federal banking agency is required to appoint a conservator or receiver for the bank.

In addition to the federal regulatory capital requirements described above, the DFPI has authority to take possession of the business and properties of a California-chartered bank if the bank's tangible shareholders' equity is less than the greater of 4% of the bank's total assets or $1.0 million.

Standards for Safety and Soundness

As required by statute, the federal banking agencies have adopted final regulations and Interagency Guidelines Establishing Standards for Safety and Soundness that establish operational and managerial standards to promote safety and soundness standards of federally insured depository institutions. The guidelines set forth the safety and soundness standards that the federal banking agencies use to identify and address problems at insured depository institutions before capital becomes impaired. The guidelines set forth standards for internal controls and information systems, internal audit systems, credit underwriting, loan documentation, interest rate exposure, asset growth, asset quality, earnings, compensation, fees and benefits and, more recently, safeguarding customer information. If the appropriate federal banking agency determines that an institution fails to meet any standard prescribed by the guidelines, the agency may require the institution to submit to the agency an acceptable plan to achieve compliance with the standard. If a financial institution fails to submit an acceptable compliance plan or fails in any material respect to implement a compliance plan that has been accepted by its primary federal regulator, the regulator is required to issue an order directing the institution to cure the deficiency. Until the deficiency cited in the regulator's order is cured, the regulator may restrict the financial institution's rate of growth, require the financial institution to increase its capital, restrict the rates the institution pays on deposits or require the institution to take any action the regulator deems appropriate under the circumstances. Noncompliance with the standards established by the safety and soundness guidelines may also constitute grounds for other enforcement action by the federal bank regulatory agencies, including cease and desist orders and civil money penalty assessments.

Regulatory Enforcement Powers

If federal banking agency determines that a bank holding company's or a bank's financial condition, capital resources, asset quality, earnings prospects, management, liquidity, or other aspects of its operations are unsatisfactory or that it or its management was in violation of any law or regulation, that agency would have the authority to take a number of different remedial actions as it deems appropriate under the circumstances. These actions include the power to enjoin any "unsafe or unsound" banking practices; to require that affirmative action be taken to correct any conditions resulting from any violation of law or unsafe or unsound practice; to issue an administrative order that can be judicially enforced; to require that it increase its capital; to restrict its growth; to assess civil monetary penalties against it or its officers or directors; to remove officers and directors; and if the federal banking agency concludes that such conditions cannot be corrected or there is an imminent risk of loss to depositors, to terminate a bank's deposit insurance, which in the case of a California state-chartered bank would result in revocation of its charter and require it to cease its banking operations. Under California law the DFPI has many of these same remedial powers with respect to the Bank.

Dividend Restrictions

As a bank, under the California Financial Code, we are permitted to pay a dividend in the following circumstances: (i) without the consent of either the DFPI or our shareholders, in an amount not exceeding the lesser of (a) our retained earnings; or (b) our net income for our last three fiscal years, less the amount of any distributions made during such period; (ii) with the prior approval of the DFPI, in an amount not exceeding the greatest of: (a) our retained earnings; (b) our net income for our last fiscal year; or (c) our net income for our current fiscal year; and (iii) with the prior approval of the DFPI and our shareholders, in connection with a reduction of our contributed capital.

Our ability to pay dividends to our shareholders is further limited by the requirement to maintain adequate capital under applicable capital adequacy guidelines and regulations, and a depository institution generally is prohibited from paying any dividends if, following payment thereof, the institution would be undercapitalized. In addition, in order to avoid restrictions on the payment of dividends under the capital rules, the Bank is generally required to maintain a capital conservation buffer of 2.5% in CET1. See section entitled "—*Capital Adequacy*" above.

Further, the FDIC has the authority to order us from engaging in any unsafe or unsound practice. The federal banking agencies have indicated that paying dividends that deplete a depository institution's capital base to an inadequate level would be an unsafe and unsound banking practice.

Branching

California law permits California banks, such as us, to establish additional banking offices with notice to the DFPI. Deposit-taking banking offices must be approved by the FDIC, which considers a number of factors, including a bank's financial history, capital adequacy, earnings prospects, character of management, needs of the community and consistency with corporate power. The Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act") permits insured state banks to engage in de novo interstate branching if the laws of the state where the new banking office is to be established would permit the establishment of the banking office if it were chartered by a bank in such state. In some cases, establishing a branch in another state might require us to file an application in the host state. A bank may also establish banking offices in other states by merging with banks or by purchasing banking offices of other banks in other states, subject to certain restrictions.

FDIC Insurance Assessments

Our deposits are insured by the DIF of the FDIC up to the maximum amount permitted by law. As an FDIC insured financial institution, we are subject to deposit insurance assessments as determined by the FDIC.

Under the FDIC's risk-based deposit premium assessment system, the assessment rates for an insured depository institution are determined by an assessment rate calculator, which is based on a number of elements that measure the risk each institution poses to the DIF. As a result of the Dodd-Frank Act, the calculated assessment rate is applied to average consolidated assets less the average tangible equity of the insured depository institution during the assessment period to determine the dollar amount of the quarterly assessment. Premiums are assessed quarterly and could increase if, for example, criticized loans and leases and/or other higher risk assets increase or balance sheet liquidity decreases. In addition, the FDIC can impose special assessments in certain instances.

Concentrations in CRE Lending

The federal banking regulators have issued guidance to identify institutions that may be exposed to potential significant CRE lending risks and may therefore warrant greater supervisory scrutiny. The guidance includes the following numerical tests:

- total reported loans for construction, land development and other land represent 100% or more of the institution's total capital, or
- total CRE loans represent 300% or more of the institution's total capital, and the outstanding balance of the institution's CRE loan portfolio has increased 50% or more.

The guidance does not limit a bank's levels of CRE lending activities but rather guides institutions in developing risk management practices and levels of capital that are commensurate with the level and nature of their CRE concentrations. Banking regulators expect banks with concentrations of CRE loans to maintain appropriate underwriting discipline, risk-management and capital commensurate with the level and nature of their CRE risks.

As of June 30, 2026, our total CRE loan concentration based on total outstanding loans was 649% of risk-based capital.

Community Reinvestment Act

The CRA requires the appropriate federal banking agency, in connection with its examination of a bank, to assess the bank's record in meeting the credit needs of local communities served by the bank, including low- and moderate-income neighborhoods. Furthermore, such assessment is also required of banks that have applied, among other things, to merge or consolidate with or acquire the assets or assume the liabilities of an insured depository institution, or to open or relocate a branch. Additionally, we must publicly disclose the terms of various CRA-related agreements. Under the CRA, institutions are assigned a rating of "outstanding," "satisfactory," "needs to improve," or "substantial non-compliance." The Bank was rated "Satisfactory" in its most recent CRA evaluation received on April 22, 2026.

Transactions with Affiliates and Insiders

We are subject to the provisions of Regulation W promulgated by the Federal Reserve, which implements Sections 23A and 23B of the Federal Reserve Act. Regulation W places limits and conditions on the amount and terms of the Bank's loans or extensions of credit to, investments in, or certain other transactions with affiliated entities. Regulation W also prohibits, among other things, a depository institution from engaging in certain transactions with certain affiliates unless the transactions are on terms substantially the same, or at least as favorable to such institution or its subsidiaries, as those prevailing at the time for comparable transactions with nonaffiliated companies.

Sections 22(g) and 22(h) of the Federal Reserve Act and their corresponding regulation (Regulation O) also place restrictions on the Bank's ability to extend credit to its executive officers, directors, principal shareholders and their related interests. These extensions of credit must be made on substantially the same terms, including interest rates and collateral, as those prevailing at the time for comparable transactions with unrelated third parties; and must not involve more than the normal risk of repayment or present other unfavorable features.

Anti-Money Laundering Laws

We are subject to the Bank Secrecy Act, which gives the federal government powers to address money laundering and terrorist threats through enhanced domestic security measures, expanded surveillance powers and mandatory transaction reporting obligations. For example, the Bank Secrecy Act and related regulations require that we report currency transactions that exceed certain thresholds and transactions determined to be suspicious, establish due diligence requirements for accounts and take certain steps to verify customer identification when accounts are opened. The Bank Secrecy Act requires financial institutions to develop and maintain a program reasonably designed to ensure and monitor compliance with its requirements, to train employees to comply with and to test the effectiveness of the program. Any failure to meet the requirements of the Bank Secrecy Act can result in the imposition of substantial penalties and in adverse regulatory enforcement action against the noncompliant bank.

The AMLA, which amends the Bank Secrecy Act, was enacted in January 2021. The AMLA is intended to be a comprehensive reform and modernization to U.S. bank secrecy and anti-money laundering laws. Among other things, it codifies a risk-based approach to anti-money laundering compliance for financial institutions; requires the development of standards for evaluating technology and internal processes for Bank Secrecy Act compliance; expands enforcement- and investigation-related authority, including increasing available sanctions for certain Bank Secrecy Act violations and instituting whistleblower incentives and protections.

Office of Foreign Assets Control Regulations and International Sanctions

The United States Treasury Department's Office of Foreign Assets Control ("OFAC") administers and enforces economic and trade sanctions against targeted foreign countries and regimes, under authority of various laws, including designated foreign countries, nationals and others. OFAC publishes lists of prohibited parties that are regularly consulted by the Bank in the conduct of its business in order to ensure its compliance. We are responsible for, among other things, blocking the accounts of, and transactions with, such targets and countries, prohibiting unlicensed trade and financial transactions with them and reporting blocked transactions after their occurrence. Our failure to comply with OFAC sanctions could have serious financial, legal and reputational consequences. Regulatory authorities have imposed cease and desist orders and civil money penalties against institutions found to be violating these obligations.

Data Privacy and Cybersecurity

The GLBA and the implementing regulations issued by federal regulatory agencies require financial institutions (including banks, insurance agencies, and broker/dealers) to adopt policies and procedures regarding the disclosure of nonpublic personal information about their customers to non-affiliated third parties. In general, financial institutions are required to explain to customers their policies and procedures regarding the disclosure of such nonpublic personal information and, unless otherwise required or permitted by law, financial institutions are prohibited from disclosing such information except as provided in their policies and procedures. Specifically, the GLBA established certain information security guidelines that require each financial institution, under the supervision and ongoing oversight of its Board of Directors or an appropriate committee thereof, to develop, implement, and maintain a comprehensive written information security program designed to ensure the security and confidentiality of customer information, to protect against anticipated threats or hazards to the security or integrity of such information, and to protect against unauthorized access to or use of such information that could result in substantial harm or inconvenience to any customer. Many states have also recently implemented or modified their data breach notification and data privacy requirements. For example, the California Consumer Privacy Act became effective on January 1, 2020, and key provisions of an additional law strengthening the protection, the California Privacy Rights Act of 2020, became effective on January 1, 2023. We expect this trend of state-level activity and consumer expectations in those areas to continue to heighten, and we are continually monitoring for developments in the states in which our clients are located. Our regulators regularly examine us for compliance with applicable laws, and adherence to industry best practices, with respect to these topics. For example, they will evaluate our security of user and customer credentials, business continuity planning, and the ability to identify and thwart cyber-attacks.

Recent cyber-attacks against banks and other financial institutions that resulted in unauthorized access to confidential customer information have prompted the federal banking regulators to issue extensive guidance on cybersecurity. Among other things, financial institutions are expected to design multiple layers of security controls to establish lines of defense and ensure that their risk management processes address the risks posed by compromised customer credentials, including security measures to authenticate customers accessing internet-based services. A financial institution is expected to have a robust business continuity program to recover from a cyberattack and procedures for monitoring the security of third-party service providers that may have access to nonpublic data at the institution.

Consumer Laws and Regulations

We are subject to consumer laws and regulations intended to protect consumers in transactions with depository institutions, as well as other laws or regulations affecting customers of financial institutions generally. These laws and regulations include, among others, the Truth in Lending Act, the Truth in Savings Act, the Electronic Funds Transfer Act, the Expedited Funds Availability Act, the Equal Credit Opportunity Act, the Fair Housing Act, the Real Estate Settlement and Procedures Act, the Fair Credit Reporting Act and the Federal Trade Commission Act, among others. These laws and regulations mandate certain disclosure requirements and regulate the manner in which financial institutions must deal with customers when taking deposits or making loans.

The Dodd-Frank Act centralized responsibility for federal consumer financial protection including implementing, examining and enforcing compliance with federal consumer financial laws with the Consumer Financial Protection Bureau (the "CFPB"). Depository institutions with less than $10 billion in assets, such as the Bank, are subject to rules promulgated by the CFPB but continue to be examined and supervised by federal banking regulators for consumer compliance purposes. The Dodd-Frank Act also gives state attorney generals the ability to enforce federal consumer protection laws.

Mortgage Lending Rules

The Dodd-Frank Act authorized the CFPB to establish certain minimum standards for the origination of residential mortgages, including a determination of a borrower's ability to repay. Under the Dodd-Frank Act, financial institutions may not make a residential mortgage loan unless they make a "reasonable and good faith determination" that the consumer has a "reasonable ability" to repay the loan. The Dodd-Frank Act allows borrowers to raise certain defenses to foreclosure but provides a full or partial safe harbor from such defenses for loans that are "qualified mortgages." The CFPB published final rules to, among other things, specify the types of income and assets that may be considered in the ability-to-repay determination, the permissible sources for verification, and the required methods of calculating a loan's monthly payments. Subsequently, the CFPB made certain modifications to these rules. The rules extend the requirement that creditors verify and document a borrower's income and assets to include all information that creditors rely on in determining repayment ability.

Our mortgage lending activities are also subject to applicable state and local laws that regulate among other things, interest rates and other charges, require specific disclosure, regulate specific practices and require licensing of various participants in the transaction. In addition, other state and local laws, public policy and general principles of equity relating to the protection of consumers, unfair and deceptive practices and debt collection practices may apply to the origination, ownership, servicing or collection of mortgage loans. For example, the California Homeowner Bill of Rights, which became effective on January 1, 2013 and was amended effective January 1, 2019, among other measures (i) prohibits "dual track" foreclosures (servicers will be required to halt the foreclosure process while any modification is being considered), (ii) creates a single point of contact for homeowners while negotiating a loan modification, (iii) expands upon notice requirements to a borrower before taking action on a loan modification application or pursuing foreclosure and (iv) allows for injunctions against foreclosure until violations are corrected and permits civil penalties (including monetary damages) against servicers that file multiple inaccurate mortgage documents or otherwise violate California law. The California Homeowner Bill of Rights may extend foreclosure times in California and lead to increased litigation of the foreclosure process.

Incentive Compensation

The federal banking agencies have issued guidance on incentive compensation policies (the "Incentive Compensation Guidance") intended to ensure that the incentive compensation policies of financial institutions do not undermine the safety and soundness of such institutions by encouraging excessive risk-taking. The Incentive Compensation Guidance, which covers all employees that have the ability to materially affect the risk profile of an institution, either individually or as part of a group, is based upon the key principles that a financial institution's incentive compensation arrangements should (i) provide incentives that do not encourage risk-taking beyond the institution ability to effectively identify and manage risks, (ii) be compatible with effective internal controls and risk management, and (iii) be supported by strong corporate governance, including active and effective oversight by the institution's Board of Directors.

The scope and content of banking regulators' policies on executive compensation are continuing to develop and are likely to continue evolving in the near future. It cannot be determined at this time whether compliance with such policies will adversely affect our ability to hire, retain and motivate our key employees.

SEC and Nasdaq Rules

Upon completion of this offering, we expect our common stock to be traded on the NASDAQ Capital Market (under the trading symbol "RCBC"), and we will become subject to rules and regulations of the NASDAQ Stock Market ("Nasdaq"), including those related to corporate governance. We will also become subject to the periodic reporting requirements of Section 13 of the Exchange Act as adopted by the FDIC, though, as state-chartered bank that is not a member of the Federal Reserve System, we will file our Exchange Act reports, including annual, quarterly and other current reports, with the FDIC rather than the SEC. We will become subject to additional SEC regulations adopted by the FDIC including, but not limited to, the proxy and tender offer rules promulgated by the SEC under Sections 13 and 14 of the Exchange Act, the reporting requirements of directors, executive officers and principal shareholders regarding transactions in our common stock and short swing profits rules promulgated by the SEC under Section 16 of the Exchange Act, and certain additional reporting requirements by our principal shareholders promulgated by the SEC under Section 13 of the Exchange Act.

Future Legislation and Regulation

Congress may enact legislation from time to time that affects the regulation of the financial services industry, and state legislatures, including the California legislature, may enact legislation from time to time affecting the regulation of financial institutions chartered by or operating in those states. Federal and state regulatory agencies also periodically propose and adopt changes to their regulations or change the manner in which existing regulations are applied. The substance or impact of pending or future legislation or regulation, or the application thereof, cannot be predicted, although the enactment of proposed legislation could impact the regulatory structure under which the Bank operates and may significantly increase costs, impede the efficiency of internal business processes, require an increase in regulatory capital, require modifications to business strategy, and limit the ability to pursue business opportunities in an efficient manner. A change in statutes, regulations or regulatory policies applicable to the Bank could have a material adverse effect on the business, financial condition, and results of operations of the Bank.

MANAGEMENT

Executive Officers

The following table sets forth certain information regarding our executive officers, including their names, ages and positions as of the date of this offering circular:

Name	Age	Position	Years with Bank
Steve Fleming	68	President and Chief Executive Officer	17
Brian Killeen	48	Executive Vice President and Chief Financial Officer	19
Dan Franklin	44	Executive Vice President, Commercial Real Estate	17
Patricia Lewis	56	Executive Vice President and Chief Operating Officer	25
Rosa Cucicea	37	Senior Vice President, Clean Energy and Public Sector Banking	12
Ken Imwinkelried	40	Senior Vice President and Chief Credit Officer	16

The business experience of each of our executive officers is set forth below. No executive officer has any family relationship, as defined in Item 401 of Regulation S-K, with any other executive officer or any of our current directors. There are no arrangements or understandings between any of the officers and any other person pursuant to which he or she was selected as an officer.

Steve Fleming, President and Chief Executive Officer. Since September 2008, Steve Fleming has served as the President and Chief Executive Officer of River City Bank. He has over 46 years of banking experience, including over 20 years with Bank of America in Sacramento and London, England. While with Bank of America, he held a variety of progressively more senior positions, including serving as the head of Credit Administration, Loan Originations & Capital Raising, and a member of the Executive Committee for the bank's Europe, Middle East, and Africa Division. Prior to joining River City Bank, Mr. Fleming was the Founder and chief executive officer of Presidio Bank in San Francisco. He was also the President and chief executive officer of National Bank of the Redwoods in Santa Rosa, California. Mr. Fleming received a B.A. in Economics from the University of California, Davis, where he was awarded membership in the Phi Beta Kappa honor society. He also completed his M.B.A. at the University of California, Berkeley.

Mr. Fleming has been a leader in a variety of charitable activities over the years, including currently serving as a board member for the Kelly Foundation. He is also on the board of the Greater Sacramento Area Economic Council, a member (past board chair) of the Sacramento Host Committee, past President of the Sacramento chapter of Lambda Alpha, the honorary society for the advancement of land economics, and past President of the Capital Region Family Business Center.

Brian Killeen, Executive Vice President and Chief Financial Officer. Since October 2023, Brian Killeen has served as the Executive Vice President and Chief Financial Officer of River City Bank, where he is responsible for the Bank's accounting, financial reporting, treasury, and investor relations functions. Mr. Killeen joined the Bank in 2007 as Controller and has assumed progressively greater responsibilities within the Finance Department, including leadership of several bank-wide strategic initiatives. Prior to joining River City Bank, Mr. Killeen spent seven years with KPMG LLP, where he specialized in the audits of financial institutions, real estate entities, and government agencies. He holds a B.S. in Business Administration with concentrations in Accounting and Finance from California State University, Sacramento, and is a Certified Public Accountant (inactive).

*Dan Franklin, Executive Vice President and Director of Commercial Real Estate. S*ince May 2021, Dan Franklin has served as the Executive Vice President and Director of Commercial Real Estate of River City Bank, where he is responsible for managing the Bank's CRE origination activity. Mr. Franklin joined the Bank in 2008 and has previously served as a Relationship Manager, Business Development Officer, and Commercial Banking Director. His experience in relationship management, credit analysis, and business development has supported the Bank's sustained growth and expansion of its CRE platform. Prior to joining River City Bank, Mr. Franklin was a Relationship Credit Manager at Presidio Bank in San Francisco. Mr. Franklin holds both undergraduate and M.B.A. degrees from the University of California, Davis, and is a CFA charter holder.

Pat Lewis, Executive Vice President and Chief Operating Officer. Since October 2012, Pat Lewis has served as the Executive Vice President and Chief Operating Officer of River City Bank, where she oversees the Bank's operations and human resource management, ensures compliance with policies and procedures, and maintains the high level of client service for which River City Bank is known. Ms. Lewis has 25 years of experience with the Bank and more than 30 years in the financial services industry. During her tenure with the Bank she has held several other leadership roles, including Commercial Banking Director and Cash Management Director. Her extensive operational and client service experience has been instrumental in supporting the Bank's efficiency and reputation for excellence. Ms. Lewis holds a B.S. degree from Texas A&M University and an M.B.A. from Baylor University.

Rosa Cucicea, Senior Vice President and Director of the Clean Energy and Public Sector Banking Division. Since 2018, Rosa Cucicea has served as the Senior Vice President and Director of the Clean Energy Division of River City Bank since 2018, and as Director of the Public Banking Sector Division of River City Bank since January 2025. In this role, she is responsible for servicing and expanding the Bank's relationships with clean energy companies and public sector clients. Under her leadership, River City Bank has become a clean energy banking leader in California by serving majority of the state's CCAs, financing renewable energy projects, and supporting other sustainability initiatives. Ms. Cucicea joined the Bank in 2014 and has previously held several positions, including Cash Management Representative, Credit Analyst, and Relationship Manager, before establishing the Bank's Clean Energy Division in 2018. Ms. Cucicea graduated with honors from the University of California, Davis, with a B.A. degree in Economics, and earned an M.B.A. from the University of California, Berkeley.

Ken Imwinkelried, Senior Vice President and Chief Credit Officer. Since October 2023, Ken Imwinkelried has served as the Senior Vice President and Chief Credit Officer of River City Bank, where he is responsible for overseeing loan approvals and credit quality across the Bank's CRE, C&I, and consumer loan portfolios. Mr. Imwinkelried joined River City Bank in 2010 through its Commercial Banking Associate Program and has since advanced through a broad range of credit analysis and credit management roles within the Bank, most recently serving as Senior Credit Manager from January 2014 to October 2023. Mr. Imwinkelried holds a B.S. in Business Management from Miami University.

Board of Directors

The following table sets forth certain information about our directors, including their names, ages and year in which they began serving as a director of the Bank.

Name	Age	Position	Director Since
Shawn K. Devlin	66	Chairman of the Board	2001
Frederick J. Durst	67	Director	2008
Steve Fleming	68	Director, President and Chief Executive Officer	2008
Ryan Gilbert	53	Director	2012
Kerry Gordon	75	Director	2018
Eric Johnson	45	Director	2024
David B. Lichtman	63	Director	2025
Michael Newell	61	Director	2000
Gary M. Orr	65	Director	2019
Stephanie Zarate	44	Director	2025

Our Board of Directors oversees our business and monitors the performance of management. In accordance with corporate governance principles, the independent members of the Board of Directors do not involve themselves in day-to-day operations. The directors keep themselves informed through, among other things, discussions with the chief executive officer, other key executives and our principal outside advisors (legal counsel, outside auditors, and other consultants), by reading reports and other materials that we send them and by participating in Board of Directors and committee meetings.

Pursuant to our bylaws, our Board of Directors is authorized to have not less than eight members, nor more than 15 members and is currently comprised of ten members. Each of our directors serves for a one-year term. The exact number of directors may be fixed from time to time within the range set forth in our bylaws by a bylaw or amendment thereof duly adopted by the vote of a majority of the shares entitled to vote represented at a duly held meeting at which a quorum is present, or by the written consent of the holders of a majority of the outstanding shares entitled to vote, or by resolution of our Board of Directors. As discussed in greater detail below, our Board of Directors has affirmatively determined that nine of our ten current directors qualify as independent directors based upon the rules of Nasdaq and the SEC. Mr. Fleming does not qualify as independent because he is employed as our President and Chief Executive Officer. There are no arrangements or understandings between any of the directors and any other person pursuant to which he or she was selected as a director.

The business experience of each of the current directors is set forth below, other than Mr. Fleming, whose business experience is described above. No current director has any family relationship, as defined in Item 401 of Regulation S-K, with any other director or with any of our executive officers.

Shawn K. Devlin, Chairman of the Board. Ms. Devlin has served as a director of the Bank since 2001 and as Chairman of the Board since 2009. Ms. Devlin brings over 40 years of banking experience, including positions with The Boston Company, a subsidiary of Mellon Financial Corporation, and Citibank. She earned her bachelor's degree in Business Administration from the University of San Francisco School of Business.

She has served as Chairman of the Kelly Foundation since 2010. During this time, the Kelly Foundation has become one of the largest charitable foundations in Sacramento, California.

Ms. Devlin's extensive leadership and financial services experience make her a valuable member of our Board of Directors.

Frederick J. Durst, Director. Mr. Durst has served as a director of the Bank since 2008. He has been a self-employed farmer and rancher for the past 40 years, and has served as President of Tule Farms, Inc., a regional grain network based in Yolo County, California, since 1997. He has also served as trustee of Reclamation District 108, which is responsible for water delivery, drainage, and flood control services to nearly 48,000 acres of farmland within southern Colusa County and northern Yolo County in Northern California, since 1995. Mr. Durst earned his bachelor's degree in Agricultural Management from the University of California at Davis.

Mr. Durst's meaningful agricultural experience makes him a valuable member of our Board of Directors.

Ryan Gilbert, Director. Mr. Gilbert has served as a director of the Bank since 2012. He is a founder and has served as managing partner of Launchpad Capital since February 2020, where he also serves as a general partner of the firm's Fintech-focused venture funds. He has also served as an advisor to Castle Creek Capital since April 2021. Previously, Mr. Gilbert served as general partner of Propel Venture Partners, a financial services venture capital firm, from January 2016 to April 2021. His prior roles include board member at bKash, Bangladesh's largest remittance platform; Chief Executive Officer and Executive Chairman of Billfloat, the operator of a small business lending marketplace SmartBiz Loans; co-founder/Chief Executive Officer of real estate payments company PropertyBridge; an early investor in Eventbrite, and a founding advisor to Square. Mr. Gilbert earned his Bachelor of Commerce and Bachelor of Laws degrees from the University of the Witwatersrand, Johannesburg, South Africa. He is an inactive member of the State Bar of California.

Mr. Gilbert's global financial services and technology expertise make him a valuable member of our Board of Directors.

Kerry Gordon, Director. Mr. Gordon has served as a director of the Bank since 2018. His professional career spans over 40 years within the accounting and audit industries. He most recently served as Regional Managing Partner of the California Central Valley office of the accounting firm Moss Adams LLP from 2002 until his retirement in December 2016. Previously, he was the Managing Partner of Gordon, Odom & Davis, and accounting firm, from 1978 until the business combination with Moss Adams LLP in 2002. Mr. Gordon continues to provide consulting and advisory services to business enterprises in the greater Sacramento area. He earned his MBA from Golden Gate University and his bachelor's degree from California State University Sacramento. He is a retired CPA in the State of California.

Mr. Gordon's extensive accounting and auditing experience make him a valuable member of our Board of Directors.

Eric Johnson, Director. Mr. Johnson has served as a director of the Bank since April 2024. He brings over 25 years of experience in information technology, cybersecurity, and executive leadership, with a career spanning both the financial services and technology sectors. He is a founder and has served as Chief Executive Officer of Foresight IT, a managed information technology and information security firm specializing in infrastructure management and cybersecurity solutions for small and midsized businesses, since July 2024. Prior to founding Foresight IT, Mr. Johnson worked for Meriplex, a managed information technology and cybersecurity solutions provider, as its Virtual Chief Information Officer—Banking Division from December 2023 to March 2024 and as its Director of Corporate Development from July 2021 to November 2023. Previously, he was a partner of GNT Solutions, an information technology solutions provider to small and midsized businesses that was acquired by Meriplex, from August 2017 to June 2021. From 2013 to 2017, Mr. Johnson served as Senior Vice President and Chief Information Officer of the Bank.

Mr. Johnson actively participates in a variety of charitable activities, including currently serving as a board member for the Kelly Foundation. Mr. Johnson has served as an Adjunct Lecturer at the University of California at Davis since 2019, where he teaches courses in real estate, personal finance, and investments. He earned his master's degree in Agricultural and Resource Economics and his bachelor's degree in computer science from the University of California at Davis.

Mr. Johnson's substantial experience in information security, financial technology and business leadership make him a valuable member of our Board of Directors.

David B. Lichtman, Director. Mr. Lichtman has served as a director of the Bank since July 2025. His professional career spans more than 35 years within the banking industry. He began his career in banking with First Republic Bank in 1986, where he held positions in various phases of lending operations until his promotion to the position of Chief Credit Officer in 1995. He continued to serve as Chief Credit Officer of First Republic Bank until the DFPI appointed the FDIC as its receiver in May 2023. Mr. Lichtman then worked primarily in a consulting capacity with Bank of San Francisco from January 2024 to November 2024. He is currently a lecturer in real estate finance at the University of California at Berkeley. Mr. Lichtman earned his MBA from the University of California at Berkeley and his bachelor's degree from Vassar College.

Mr. Lichtman's deep understanding of credit management and underwriting, and his extensive leadership experience make him a valuable member of our Board of Directors.

Michael Newell, Director. Mr. Newell has served as a director of the Bank since 2000. Since 2007, he has served as Director of Sales of HP Hood, LLC, a privately held company that produces and distributes dairy and milk alternative beverages nationally under various owned and licensed brands. From 1987-2007 he worked in a variety of management positions at Crystal Cream & Butter Co., a family-owned, full-line dairy processor, including President from 2003 until the sale of Crystal's dairy assets to HP Hood in 2007. Mr. Newell also served as President of Crystal's successor company, CC&B Holdings, from 2007-2022. Mr. Newell has served as a director of the Dairy Council of California since 1999, as a director of the California Milk Processing Board since 2016, and as a director of the

Dairy Institute of California since 2009. Mr. Newell actively participates in a variety of charitable activities, including currently serving as a board member for the Kelly Foundation and the Sutter Davis Hospital Foundation. He earned his MBA from the Wharton School of Business and his bachelor's degree in economics from the University of California at Berkeley.

Mr. Newell's vast experience in business management makes him a valuable member of our Board of Directors.

Gary M. Orr, Director. Mr. Orr has served as a director of the Bank since 2019. He has more than 40 years of experience in commercial banking and commercial real estate finance. He held numerous credit underwriting, relationship management and leadership positions in the corporate and commercial banking groups at Wells Fargo & Company from 1988 until his retirement in 2019 as an Executive Vice President. Previously, he served in correspondent banking and business development officer positions and graduated from the PNC Commercial Bank Training Program at PNC Financial Corporation. He now serves as a consultant to middle market companies through his consulting business, Orr Business Consulting Services LLC. His firm serves family-owned businesses and provides organizational & leadership advice, strategic, financial and exit planning, and crisis management. He earned his bachelor's degree from the University of Pittsburgh.

Mr. Orr's extensive career in banking and broad business and leadership experience makes him a valuable member of our Board of Directors.

Stephanie Zarate, Director. Ms. Zarate has served as a director of the Bank since April 2025. She is a CPA and has served as Chief Accounting Officer and Treasurer of McClatchy Media Company, LLC, a media company that publishes and distributes local news and lifestyle and entertainment brands, since July 2021. Previously, she served as its Controller and Treasurer from April 2020 to June 2021 and as its Investor Relations Manager from 2016 to April 2020. From 2006 to 2013, Ms. Zarate worked for Deloitte LLP Audit & Assurance Services, from an associate to an Audit Manager. During her tenure at Deloitte LLP, her primary focus was on the management of financial statement audits and regulatory filings for a public company as well as audits of not-for-profit organizations. She earned her MBA from the University of California at Davis and her bachelor's degree in accounting from California State University—Sacramento.

Ms. Zarate's significant accounting experience and in-depth knowledge of risk management and auditing standards (including for public companies) make her a valuable member of our Board of Directors.

Corporate Governance Principles and Board Matters

Corporate Governance Principles. We are committed to having sound corporate governance principles, which are essential to running our business efficiently and maintaining our integrity in the marketplace. Our Board of Directors has adopted Corporate Governance Principles, which will become effective upon completion of this offering, that set forth the framework within which our Board of Directors, assisted by the committees of our Board of Directors, directs the affairs of our organization. The Corporate Governance Principles address, among other things, the composition and functions of our Board of Directors, director independence, compensation of directors, management succession and review, committees of our Board of Directors and selection of new directors. Upon completion of this offering, our Corporate Governance Principles will be available on our website at www.rivercitybank.com under the "Investor Relations" tab.

Director Qualifications. We believe that our directors should have the highest professional and personal ethics and values. They should have broad experience at the policy-making level in areas relevant to our business. They should be committed to enhancing shareholder value and should have sufficient time to carry out their duties and to provide insight and practical wisdom based on experience. Each director must represent the interests of all shareholders. When considering potential director candidates, our Board of Directors also considers the candidate's character, judgment, diversity, skill sets, specific business background and experience in the context of our needs and those of the Board of Directors.

Director Independence. We intend to list our common stock on the NASDAQ Capital Market and, as a result, we will be required to comply with the rules of Nasdaq with respect to the independence of directors who serve on our Board of Directors and its committees. Under the rules of Nasdaq, independent directors must comprise a majority of our Board of Directors within a specified period of time following this offering. The rules of Nasdaq, as well as those of the SEC, also impose several other requirements with respect to the independence of our directors.

Our Board of Directors has evaluated the independence of its members based upon the rules of Nasdaq and the SEC. Applying these standards, our Board of Directors has affirmatively determined that, with the exception of Mr. Fleming, each of our current directors is an independent director. Our Board of Directors determined that Mr. Fleming does not qualify as an independent director because he is an executive officer of the Bank.

Board Leadership Structure. The Board of Directors is committed to maintaining an independent board, and for the entire history of the Bank the Board of Directors has been comprised of a majority of independent directors. Further, it is the practice of the Bank to separate the roles of chairman of the board and chief executive officer in recognition of the differences between the two roles. The chief executive officer is responsible for setting our strategic direction and the day-to-day leadership and performance. The chairman of the board provides guidance to the chief executive officer, sets the agenda for board meetings, presides over meetings of the full board (including executive sessions), and facilitates communication among the independent directors and between the independent directors and the chief executive officer. The Board of Directors further believes that the separation of the duties of the chief executive officer and the chairman of the board eliminates any inherent conflict of interest that may arise when the roles are combined, and that an independent director who has not served as an executive of the Bank can best provide the necessary leadership and objectivity required as chairman of the board.

Historically, the Board of Directors has had eight regular meetings per year. Following the completion of this offering, we expect the Board will continue to meet at least eight times per year. To further strengthen the oversight, the Board periodically holds executive sessions and will continue to do so following completion of the offering. The executive sessions will be scheduled in connection with regularly scheduled board meetings at least twice a year. The executive sessions will be presided over by the chairman.

Code of Business and Ethical Conduct. We have adopted a Code of Business and Ethical Conduct for our directors, officers and employees. We have also adopted a Code of Conduct for the Chief Executive Officer and Other Senior Financial Officers ("Code of Conduct") that contains specific ethical policies and principles that apply to our principal executive officer, principal financial officer, principal accounting officer and other key accounting and financial personnel. The Code of Conduct constitutes our "code of ethics" within the meaning of Section 406 of the Sarbanes-Oxley Act and is our "code of conduct" for purposes of satisfying Nasdaq's listing standards.

To the extent required by applicable SEC rules, Nasdaq's listing standards or our Code of Conduct, we will disclose any waivers of the requirements of our Code of Conduct that may be granted to our executive officers, including our principal executive officer, principal financial officer, principal accounting officer or persons performing similar functions on our website. We expect that any amendments to the code, or any waivers of its requirements, will be disclosed on our website, as well as any other means required by Nasdaq rules. Upon completion of this offering, our Code of Conduct will be available on our website at www.rivercitybank.com under the "Investor Relations" tab.

Related Party Transaction Policy. Our Board of Directors has adopted a Related Party Transaction Policy, which provides that subject to certain limited exceptions, the Bank will not enter or consummate a related party transaction that is determined by the Audit Committee to be materially less favorable from a financial standpoint to the Bank than similar transactions between the Bank and unaffiliated third parties. A "related party transaction" is a transaction between the Bank or any of its subsidiaries and any executive officer, director or owner of more than 10% of the outstanding shares of the Bank's common stock or persons related to them. Our Related Party Transaction Policy is described in more detail below under the heading "Policies and Procedures for Approval of Related Person Transactions."

Compensation Committee Interlocks and Insider Participation. None of the members of our Compensation and Governance Committee has been one of our officers or employees. In addition, none of our executive officers serves or has served as a member of the Compensation and Governance committee or other board committee performing equivalent functions of any entity that has one or more executive officers serving as one of our directors or on our Compensation and Governance Committee.

Risk Management and Oversight. The Board of Directors has ultimate authority and responsibility for overseeing our risk management. The Board of Directors monitors, reviews and reacts to material enterprise risks identified by management. The Board of Directors receives specific reports from executive management on financial, credit, liquidity, interest rate, capital, operational, legal compliance and reputation risks and the degree of exposure to those risks. The Board of Directors helps ensure that management is properly focused on risk by, among other things, reviewing and discussing the performance of senior management and business line leaders. Board committees have responsibility for risk oversight in specific areas. The Audit Committee oversees financial, accounting and internal control risk management policies. The Compensation and Governance Committee assesses and monitors risks in our compensation program. The Compensation and Governance Committee also oversees the nomination and evaluation of the Board and is responsible for overseeing our corporate governance principles. Our Loan Committee is primarily responsible for credit and other risks arising in connection with our lending activities. Our Asset/Liability Management Committee monitors our interest rate risk, with the goal of structuring our asset-liability composition to maximize net interest income while minimizing the adverse impact of changes in interest rates on net interest income and capital.

Committees of the Board

Our Board of Directors has established standing committees in connection with the discharge of its responsibilities. These committees include the Audit Committee, the Compensation and Governance Committee, Asset/Liability Management Committee, Loan Committee, Compliance Committee, IT Committee and the Strategic Initiatives Committee. Our Board of Directors may also establish such other committees as it deems appropriate, in accordance with applicable law and regulations and our articles and bylaws.

Audit Committee. We have a separately designated standing Audit Committee established in accordance with Section 3(a)(58)(A) of the Securities Exchange Act of 1934, as amended. The Audit Committee charter adopted by the Board of Directors sets out the responsibilities, authority and specific duties of the Audit Committee. The Audit Committee charter will be available on our website at www.rivercitybank.com under the "Investor Relations" tab upon completion of this offering.

Our Audit Committee is responsible for overseeing, among other things: the integrity of our consolidated financial statements and internal controls; our compliance with legal and regulatory requirements; the periodic assessment of accounting practices and policies and risk management; the selection, qualifications, independence and performance of our independent registered public accounting firm, or the independent auditor; pre-approval of all permitted non-audit services to be performed by the independent auditor and establishing policies and procedures for the engagement of the independent auditor to provide permitted non-audit services; and the performance of the internal audit function. The Audit Committee also reviews related-party transactions under our Related-Party Transactions Policy. The Audit Committee is authorized to retain independent counsel and advisors to assist in carrying out its responsibilities.

Each member of the Audit Committee meets the independence criteria as defined by applicable rules and regulations of the SEC for audit committee membership and is independent and is "financially sophisticated" as defined by the applicable rules and regulations of Nasdaq. The members of the Audit Committee are Michael Newell (committee chair), Kerry Gordon (committee vice chair), Eric Johnson and Stephanie Zarate.

Our Board of Directors has determined that each of the members of the Audit Committee satisfies the requirements for independence as an audit committee member and the requirement for financial literacy under the rules and regulations of Nasdaq and the SEC. Both Mr. Gordon and Ms. Zarate qualify as an "audit committee financial expert" as defined in the SEC rules and satisfy the financial sophistication requirements of Nasdaq.

Compensation and Governance Committee. Our Board of Directors has a designated Compensation and Governance Committee, which consists entirely of independent directors as defined by the applicable rules and regulations of Nasdaq. The Compensation and Governance Committee has adopted a charter, which will be available on our website at www.rivercitybank.com under the "Investor Relations" tab upon completion of this offering.

Our Compensation and Governance Committee is responsible for, among other things: reviewing and approving compensation arrangements, including equity and any non-equity incentive compensation for our Chief Executive Officer and other executive officers; reviewing and approving corporate goals and objectives relevant to the compensation of our Chief Executive Officer; reviewing and recommending revisions to director compensation practices; and administering employee benefit plans. The Compensation and Governance Committee has the authority to retain independent counsel and other advisors, including compensation consultants, to assist in carrying out its responsibilities. The committee is responsible for identifying and recommending individuals to our Board of Directors qualified to become directors; recommending candidates for election to our Board of Directors to fill vacancies, developing, updating as necessary and recommending to the board corporate governance principles and policies applicable to the Bank, managing board member continuing education; establishing, coordinating and reviewing annual evaluations of our Board of Directors and committees; and reviewing succession planning for the board, chief executive officer and senior management.

Our Board of Directors has determined that each of the members of the Compensation and Governance Committee satisfies the requirements for independence under the rules of Nasdaq and the SEC applicable to compensation committees and nominating committees. The members of the committee are Shawn Devlin (committee chair), Frederick Durst, Ryan Gilbert, Gary Orr, and Stephanie Zarate.

Loan Committee. The Loan Committee is responsible for the supervision of credit activities, the development of our loan policies and procedures and the approvals of certain larger loans under our credit policies. The members of the Loan Committee are Gary Orr (committee chair), David Lichtman (committee vice chair), Shawn Devlin, Frederick Durst, Kerry Gordon and Michael Newell.

Compliance Committee. The Compliance Committee is responsible for monitoring the Bank's regulatory compliance practices, including Community Reinvestment Act compliance, and is responsible for reviewing security, business continuity planning and vendor management. The members of the Compliance Committee are Kerry Gordon (committee chair), Michael Newell (committee vice chair), Shawn Devlin, Ryan Gilbert and Stephanie Zarate.

Asset/Liability Committee. The Asset/Liability Committee (the "ALCO Committee"), has responsibility for, among other things, monitoring the maturities and overall mix of the Bank's interest rate sensitive assets and liabilities. The members of the ALCO Committee are Frederick Durst (committee chair), Gary Orr (committee vice chair), Shawn Devlin and Michael Newell.

IT Committee. The IT Committee provides oversight and strategic and operational direction to the Bank's information technology function, including oversight over significant hardware and software development or acquisition and our Information Security Program, including oversight over cybersecurity matters. The members of the IT Committee are Eric Johnson (committee chair), Ryan Gilbert (committee vice chair) and Shawn Devlin.

Strategic Initiatives Committee. The Strategic Initiatives Committee is responsible for providing oversight and guidance to senior management regarding the strategic direction of the Bank, including oversight over major corporate development initiatives such as mergers and acquisitions The committee is also responsible for providing oversight and guidance to senior management in evaluating and making decisions related to this offering. The members of the committee are Ryan Gilbert (committee chair), Eric Johnson, David Lichtman, Gary Orr and Stephanie Zarate.

EXECUTIVE COMPENSATION

Our named executive officers for 2025, which consist of our principal executive officer and our two other most highly compensated executive officers for the fiscal year ended December 31, 2025, are:

- Steve Fleming, President and Chief Executive Officer;
- Pat Lewis, Executive Vice President and Chief Operating Officer; and
- Brian Killeen, Executive Vice President and Chief Financial Officer.

Summary Compensation Table

The following table sets forth information regarding the compensation paid, awarded to, or earned for our fiscal years ended December 31, 2025 and 2024 for each of our named executive officers.

Name and Principal Position	Year	Salary ($)	Bonus ($)	Stock Awards ($) (1)	Nonequity Incentive Plan Compensation ($) (2)	All Other Compensation ($) (3)	Total Compensation ($)
Steve Fleming	2025	$836,500	—	$822,403	$274,134	$34,417	$1,967,454
President and Chief Executive Officer	2024	630,160	582,238 (4)	588,329	196,433	34,214	2,031,374
Pat Lewis	2025	$395,833	—	$199,200	$199,200	$19,312	$ 813,545
Executive Vice President and Chief Operating Officer	2024	348,199	—	126,583	126,992	18,814	620,588
Brian Killeen	2025	$370,833	—	$150,000	$150,000	$13,472	$ 684,305
Executive Vice President and Chief Financial Officer	2024	325,000	—	117,229	117,259	12,819	572,307

(1) Amounts for 2025 represent the equity-settled component of our 2025 annual incentives, which were restricted stock awards granted with an annual vesting schedule over three years. Amounts for 2024 represent the equity-settled component of our 2024 annual incentives, which were restricted stock awards granted with an annual vesting schedule over three years. The awards shown are not cash compensation received by the named executive officer and may not correspond to the actual value that could be realized by the named executive officer. Instead, the amounts represent the grant date fair value of the restricted stock awards computed for the corresponding fiscal year, in accordance with FASB ASC Topic 718. Restricted stock awards are valued based on the closing price of our common stock on the date of the grant.

(2) Amounts represent annual cash incentives earned in 2025 and 2024, which were paid in February 2026 and February 2025, respectively under our incentive plan.

(3) Other Compensation includes the following for 2025:

Name	Perquisites (a)	Company 401(k) Match (b)	Cash Dividends (c)	Total "All Other Compensation"
Steve Fleming	$18,917	$15,500	$ —	$34,417
Pat Lewis	1,414	15,550	2,398	19,312
Brian Killeen	360	11,750	1,362	13,472

Other Compensation includes the following for 2024:

Name	Perquisites (a)	Company 401(k) Match (b)	Cash Dividends (c)	Total "All Other Compensation"
Steve Fleming	$18,964	$15,250	$ —	$34,214
Pat Lewis	1,214	15,250	2,350	18,814
Brian Killeen	360	11,250	959	12,819

(a) Includes allowance, club dues, group term life insurance premiums and other personal benefits.

(b) Company matching contribution under the 401(k) Plan.

(c) Cash dividends on unvested equity awards.

(4) Discretionary cash bonus approved by the Compensation and Governance Committee recognizing Mr. Fleming's long-term performance for the Bank.

General

We compensate our named executive officers through a combination of base salary, annual bonuses, equity awards, and other benefits, including perquisites. Our Compensation and Governance Committee believes the executive compensation packages that we provide to our executives, including the named executive officers, should include both cash and equity compensation that reward performance as measured against established corporate goals, individual goals, and leadership impact. Each element of compensation is designed to achieve a specific purpose and to contribute to a total package that is competitive with similar packages provided by other institutions that compete for the services of individuals like our named executive officers.

Base Salary

The Compensation and Governance Committee reviews and approves base salaries of our named executive officers and sets the compensation of our Chief Executive Officer.

Executive Management Incentive Plan

We have an executive management incentive plan designed to align the performance of certain senior officers with the Bank's strategic objectives and long-term shareholder value creation. Incentive awards under the program are based on three weighted performance categories: Corporate Goal Achievement (measured by metrics such as earnings per share, efficiency ratio, and asset quality), Individual Goal Achievement (based on position-specific objectives), and Leadership Impact. Performance is measured at threshold, target, and maximum levels, with potential payouts ranging from 50% to 150% of a participant's target incentive amount. Annual incentive payouts are made in a combination of cash and restricted stock, with the Chief Executive Officer receiving 25% in cash and 75% in restricted stock and all other participants receiving 50% in cash and 50% in restricted stock. Restricted stock awarded under the program vest in annual equal amounts over three years.

Payouts under the program are subject to approval by the Board of Directors Compensation and Governance Committee and require that participants remain employed and in good standing at the time of payout. The program includes clawback provisions permitting recovery of incentive compensation in the event of an accounting restatement due to material noncompliance with financial reporting requirements. The Board of Directors retains discretion to modify individual awards and may amend or terminate the program at any time.

Benefits and Other Perquisites

The named executive officers are eligible to participate in the same benefit plans designed for all our full-time employees, including medical, dental, vision, disability and basic group life insurance coverage. We also provide our employees, including our named executive officers, with various retirement benefits. Our retirement plans are designed to assist our employees in planning for retirement and securing appropriate levels of income during retirement. The purpose of our retirement plans is to attract and retain quality employees, including executives, by offering benefit plans similar to those typically offered by our competitors.

401(k) Plan. We have a 401(k) plan. All employees 21 years of age or older become eligible to participate in the plan after 1 month of service on the first of the quarter following completion of the eligibility period. Eligible employees may elect to make tax deferred or Roth contributions of their salary up to the maximum amount allowed by law. Bank contributions vest at a rate of 20% per year over five years based on completed years of service.

Salary Continuation Plan. We have a non-qualified salary continuation plan for certain senior officers, including Mr. Fleming, Ms. Lewis, and Mr. Killeen. Under the plan, we have agreed to pay these officers' retirement benefits for a fifteen-year period after their retirement, so long as they meet certain length of service vesting requirements. Mr. Fleming is fully vested due to reaching the retirement age specified in the plan. A participant's vesting would accelerate if, following a change of control, the participant's salary is decreased 10% or more (unless all the reduction is implemented for all similarly situated employees), there is a material diminution in the participant's authority or duties, the participant's principal place of work is relocated such that the participant must commute more than 35 miles one-way, or there is a material breach of the participant's employment agreement. If prior to retirement, the participant separates from service within two years of a change of control other than for cause, the participant is entitled to receive an amount equal to the net present value of the fully vested retirement benefit in cash

Non-qualified Deferred Compensation Plan. We have a non-qualified deferred compensation plan for highly compensated employees. The plan permits eligible participants to defer a portion of their compensation on a pre-tax basis. We do not provide matching contributions under this plan. Participants are always fully vested in their salary deferrals. Participants may elect to receive distributions as a lump sum or in annual installments over a period of up to five years. Distribution of a participant's account balance is made following the participant's separation from service, subject to applicable six-month delay requirements under Section 409A of the Internal Revenue Code for specified employees.

Health and Welfare Benefits. Our named executive officers are eligible to participate in our standard health and welfare benefits program, which offers medical, dental, vision, life, accident, and disability coverage to all our eligible employees. We also provide our executive officers with long-term care insurance coverage. Other than long-term care insurance, we do not provide the named executive officers with any health and welfare benefits that are not generally available to our other employees.

Perquisites. We provide our named executive officers with certain perquisites that we believe are reasonable and consistent with our overall compensation program to better enable us to attract and retain superior employees for key positions. The Compensation and Governance Committee periodically reviews the levels of perquisites and other personal benefits provided to named executive officers. Based on this periodic review, perquisites are awarded or adjusted on an individual basis. The perquisites received by our named executive officers in 2025 included group life insurance for each, a $1,100 monthly automobile allowance, and country club dues for Mr. Fleming, and additional life insurance coverage for Ms. Lewis.

Employment Agreements

Steve Fleming—President and Chief Executive Officer. We have entered into an employment agreement with Steve Fleming, which generally describes the position and duties of the President and Chief Executive Officer. Our employment agreement with Mr. Fleming, dated February 1, 2025, provides for a term ending on September 30, 2026. We and Mr. Fleming may agree to extend his employment agreement for one or multiple years. The employment agreement provides that Mr. Fleming's initial annual base salary is $855,000, subject to potential adjustment by the Board of Directors. For 2026, Mr. Fleming's annual salary is $889,000. Mr. Fleming may be terminated at any time with or without cause (as defined in the agreement). If Mr. Fleming is terminated without cause, he will be entitled to receive severance payment in an amount equal to 24 months of his base salary plus an amount equal to twice the average of his annual bonuses for the preceding three years. If within the two years following a change of control (as defined in the agreement) Mr. Fleming is terminated without cause, experiences a salary reduction of 10% or more (unless all the reduction is implemented for all similarly situated employees), there is a material diminution in his authority or duties, his principal place of work is relocated such that his regular one-way commute is more than 35 miles or there is a material breach of his employment agreement, then he would be entitled to a receive a payment equal to the sum of three times his annual base salary and three times the average of his annual bonuses for the preceding three-year period and, in addition to such amount, reimbursement for COBRA for 24 months in an amount equal to 127% of his then current health insurance premiums. The agreement provides that if any payments to Mr. Fleming are covered by Section 280G of the Internal Revenue Code of 1986, as amended, our obligations will be limited to such amounts that results in the greatest amount of the payment that is deductible for federal minimum tax purposes after taking into account all other compensation payments to or for the benefit of Mr. Fleming that are included in determining the deductibility of such payments under Section 280G. In addition, Mr. Fleming's right to receive any severance is subject to him signing a general release in a form required by the Board of Directors and allowing it to become effective.

Pat Lewis—Executive Vice President and Chief Operating Officer. We have entered into an employment agreement with Pat Lewis providing for her employment as our Chief Operating Officer. Our employment agreement with Ms. Lewis, dated October 1, 2023, provides for a term of three years, which may be extended for one or multiple years by our Board of Directors with Ms. Lewis's agreement. The employment agreement provides that Ms. Lewis's initial annual base salary is $328,387, subject to potential adjustment by the Board of Directors. For 2026, Ms. Lewis's annual salary is $414,000. Ms. Lewis may be terminated at any time with or without cause (as defined in the agreement). If Ms. Lewis is terminated without cause, she will be entitled to receive severance payment in an amount equal to one year of her base salary plus an amount equal to the average of her annual bonuses for the preceding three years. If within the two years following a change of control (as defined in the agreement) Ms. Lewis is terminated without cause, experiences a salary reduction of 10% or more (unless all the reduction is implemented for all similarly situated employees), there is a material diminution in her authority or duties, her principal place of work is relocated such that her regular one-way commute is more than 35 miles or there is a material breach of her employment agreement, then she would be entitled to a receive a payment equal to the sum of 1.5 times her annual base salary plus 1.5 times the average of her annual bonuses for the preceding three-year period and, in addition to such amount, reimbursement for COBRA for 18 months in an amount equal to 127% of her then current health insurance premiums. The agreement provides that if any payments to Ms. Lewis are covered by Section 280G of the Internal Revenue Code of 1986, as amended, our obligations will be limited to such amounts that results in the greatest amount of the payment that is deductible for federal minimum tax purposes after taking into account all other compensation payments to or for the benefit of Ms. Lewis that are included in determining the deductibility of such payments under Section 280G. In addition, Ms. Lewis's right to receive any severance is subject to her signing a general release in a form required by the Board of Directors and allowing it to become effective.

Brian Killeen—Executive Vice President and Chief Financial Officer. We have entered into an employment agreement with Brian Killeen providing for his employment as our Chief Financial Officer. Our employment agreement with Mr. Killeen, dated February 1, 2024, provides for a term of three years, which may be extended for one or multiple years by our Board of Directors with Mr. Killeen's agreement. The employment agreement provides that Mr. Killeen's initial annual base salary is $325,000, subject to potential adjustment by the Board of Directors. For 2026, Mr. Killeen's annual salary is $410,000. Mr. Killeen may be terminated at any time with or without cause (as defined in the agreement). If Mr. Killeen is terminated without cause, he will be entitled to receive severance payment in an amount equal to one year of his base salary plus an amount equal to the average of his annual bonuses for the preceding three years. If within the two years following a change of control (as defined in the agreement) Mr. Killeen is terminated without cause, experiences a salary reduction of 10% or more (unless all the reduction is implemented for all similarly situated employees), there is a material diminution in his authority or duties, his principal place of work is relocated such that his regular one-way commute is more than 35 miles or there is a material breach of his employment agreement, then he would be entitled to a receive a payment equal to the sum of 1.5 times his annual base salary plus 1.5 times the average of his annual bonuses for the preceding three-year period and, in addition to such amount, reimbursement for COBRA for 18 months in an amount equal to 127% of his then current health insurance premiums. The agreement provides that if any payments to Mr. Killeen are covered by Section 280G of the Internal Revenue Code of 1986, as amended, our obligations will be limited to such amounts that results in the greatest amount of the payment that is deductible for federal minimum tax purposes after taking into account all other compensation payments to or for the benefit of Mr. Killeen that are included in determining the deductibility of such payments under Section 280G. In addition, Mr. Killeen's right to receive any severance is subject to his signing a general release in a form required by the Board of Directors and allowing it to become effective.

Equity Based Plans

2026 Omnibus Equity Incentive Plan

On March 25, 2026, our shareholders approved the River City Bank 2026 Omnibus Equity Incentive Plan (the "2026 Plan"). The purpose of the 2026 Plan is to advance the interest of the Bank and its shareholders by providing an incentive to attract, retain, and reward key employees, officers (whether or not directors), directors and consultants by motivating such persons to contribute to the growth and profitability of the Bank.

The 2026 Plan provides for the grant of stock options; stock appreciation rights ("SARs"); restricted stock; restricted stock units ("RSUs"); and other stock-based awards that the Board of Directors or its authorized committee determines are consistent with the purpose of the 2026 Plan and the interests of the Bank. Awards may be granted to our executives and other key employees, directors, and other service providers, and are designed to align the interests of the 2026 Plan's participants with the interests of our shareholders. The following summary of the 2026 Plan does not purport to be complete and is qualified in its entirety by reference to the full text of the 2026 Plan which is included as an exhibit to the Registration Statement.

Administration. The 2026 Plan is administered by our Board of Directors and our Compensation and Governance Committee, which is comprised of independent directors, subject to its right to delegate certain authority. Among other powers, the Compensation and Governance Committee has the authority to grant awards; determine eligible participants; determine the types of awards to be granted to each participant and designate the number of shares and all terms and conditions of the awards; establish, adopt or revise any rules and policies as it may deem advisable to administer the 2026 Plan; and make all other decisions and determinations that may be required under the 2026 Plan.

Types of Awards. The 2026 Plan provides the Compensation and Governance Committee with the authority to grant a variety of types of equity awards, which include incentive stock options, non-statutory stock options, SARs, restricted stock, RSUs, performance shares, performance units, and other stock-based awards, briefly summarized as follows:

- *Restricted Stock and RSUs.* Restricted stock awards are shares of our common stock that vest in accordance with terms and conditions established by the Compensation and Governance Committee. RSUs provide for the issuance of shares of our common stock at a later date or event or immediately upon vesting in accordance with terms and conditions established by the Compensation and Governance Committee. The Compensation and Governance Committee will determine the purchase price, vesting schedule and performance goals, if any, and any other conditions that apply to a grant of restricted shares and RSUs. Shares of restricted stock and RSUs that do not satisfy vesting conditions are subject to forfeiture. In either case, the vesting conditions may be based on continued employment (or other service) with us and our affiliates and/or achievement of performance goals. Unless otherwise provided in the applicable award agreement, a participant granted restricted stock will have the rights of a shareholder for the common stock subject to restrictions, including voting and dividend rights (provided that such dividends will be paid only upon vesting of the shares), but not the right to sell or transfer the shares. A participant granted RSUs does not have shareholder rights until shares are issued, if at all, but may be granted dividend equivalent rights with respect to shares that vest and ultimately are issued prior to or upon issuance of shares.

- *Stock Options*. Options entitle the participant to purchase shares of our common stock over time for an exercise price fixed on the date of the grant. The exercise price may not be less than 100% of the fair market value of our common stock on the date of the grant. The exercise price may be paid in cash, by the transfer of shares of our common stock meeting certain criteria, by the sale through a broker of a portion of the shares acquired upon exercise, by applying the value of a portion of the shares acquired upon exercise and issuing only the net balance of the shares, or by a combination of these methods. A participant has no rights as a shareholder with respect to any shares covered by an option until the option vests and is exercised by the participant, and shares are issued by us. Options may be granted as incentive stock options or nonstatutory stock options. There is no limit on the number of incentive stock options that may be granted from the shares reserved for Awards under the 2026 Plan.

- *Stock Appreciation Rights*. SARs entitle the participant to receive the appreciation in the fair market value of our common stock between the date of grant and the exercise date either in cash or in the form of shares of our common stock. For cash-settled SARs, the participant will have no rights as a shareholder. For stock-settled SARs, the participant will have no rights as a shareholder with respect to any shares covered by the SAR until the award vests and is exercised by the participant and we issue the shares.

- *Other Stock-Based Awards*. Other stock-based awards permitted under the 2026 Plan include awards that may be settled in cash or in shares of our common stock and are valued in whole or in part by reference to shares of our common stock.

Eligibility. The Compensation and Governance Committee determines the participants in the 2026 Plan. Generally, officers, employees, directors, and consultants are eligible to participate in the 2026 Plan. All participants may receive all types of awards under the 2026 Plan, except that incentive stock options may be granted only to employees (including officers and directors who are also employees). The Compensation and Governance Committee determines which persons eligible to participate will receive awards and the terms of their individual awards.

Maximum Shares Reserved. The maximum number of shares of our common stock available for issuance under the 2026 Plan is 2,250,000 shares, provided that shares of common stock issued with respect to exempt awards will not count against the share limit. An "exempt award" is (i) an award granted in the assumption of, or in substitution for, outstanding awards previously granted by another business entity acquired by the Bank or with which the Bank combines, by merger or otherwise, (ii) an "employment inducement" award as described in an applicable stock exchange listing manual or rules; or (iii) an award that a participant purchases at fair market value (including awards that a participant elects to receive in lieu of fully vested compensation that is otherwise due) whether or not the shares of common stock are delivered immediately or on a deferred basis. A maximum of 2,250,000 shares may be issued pursuant to incentive stock options under the 2026 Plan. The 2026 Plan has 2,248,840 shares available for future grants.

The following additional rules apply for counting shares against the maximum share limit under the 2026 Plan:

- Shares of stock underlying any awards that are forfeited, canceled, or otherwise terminated (other than by exercise) and shares that are forfeited or repurchased by the Bank for an amount not greater than the participant's exercise or purchase price will be added back to the shares of stock available for issuance under the 2026 Plan.

- Shares tendered or held back upon exercise of an option or settlement of a stock appreciation right to cover the exercise price or tax withholding will count against the limit and will not be available for future issuance under the 2026 Plan.

- Shares tendered or held back upon the vesting or settlement of any restricted stock, RSUs, performance shares, and other full value stock-based awards to cover tax withholding will not be added back to the shares available for grant under the 2026 Plan.
- Upon exercise of stock appreciation rights, the gross number of shares exercised will be deducted from the total number of shares remaining available for issuance under the 2026 Plan.
- Upon exercise of any award settled in cash, the number of shares upon which the cash payment is based will be added back to the shares remaining available for issuance under the 2026 Plan.

Terms of Awards. The Compensation and Governance Committee will determine the types of awards to be granted from among those provided under the 2026 Plan and the terms of such awards, including the number of shares of our common stock or other securities underlying the awards; restrictions and vesting requirements, which may be time-based vesting or vesting upon satisfaction of performance goals and/or other conditions; the exercise price for options and SARs, which may not be less than 100% of the fair market value of a share on the grant date; and, where applicable, the expiration date of awards, which for options and SARs may not be more than 10 years after the grant date.

Performance-Based Awards. Vesting and/or exercise of awards under the 2026 Plan may be made subject to the satisfaction of financial criteria or other objective performance measures, which are to be determined by the Compensation and Governance Committee at the time of grant of an award. As established by the Compensation and Governance Committee, these performance criteria may be measured either in absolute terms or compared to results of a peer group and may be measured at a business unit level or on other Bank-specific basis specified by the Compensation and Governance Committee. Achievement of any such performance goal shall be measured over performance periods determined by the Compensation and Governance Committee.

No Repricing. Without the prior approval of our shareholders, options and SARs granted under the 2026 Plan may not be repriced, replaced, regranted, or amended to reduce the exercise price, and any options and SARs with exercise prices greater than current fair market value may not be canceled in exchange for cash or any other award under the 2026 Plan.

Transferability of Awards. Awards under the 2026 Plan generally are not transferable by the participant other than by will or the laws of descent and distribution and are generally exercisable, during the participant's lifetime, only by the participant. Any amounts payable or shares issuable pursuant to an award generally will be paid only to the participant or the participant's estate, or legal representative or guardian.

Adjustments and Substitute Awards. The share limits and the number and kind of shares available under the 2026 Plan, and the shares subject to any outstanding awards, as well as the exercise or purchase prices of such awards, are subject to adjustment in the event of certain reorganization, recapitalization, reclassification, stock dividend, stock split, reverse stock split, spin-off, combination or other similar change in our capital stock or the number or kind of shares outstanding.

In the event we acquire another entity, the 2026 Plan provides for the issuance of substitute equity awards for existing equity compensation of the acquired company, which do not count against the 2026 Plan's share limits.

Change in Control. If the Bank undergoes a change in control, which includes certain corporate transactions such as a merger, reorganization or consolidation resulting in a change in majority ownership, a sale of substantially all of our assets, a sale of more than 50% of our stock, or an unapproved change in two-thirds of the membership of the Board of Directors; then, the Compensation and Governance Committee in its sole and absolute discretion, may provide that any unvested or unexercisable portion of any award carrying a right to exercise be fully vested and exercisable, and cause the restrictions, deferral limitations, payment conditions and forfeiture conditions applicable to an award granted under the 2026 Plan to lapse and such awards shall be deemed fully vested and any performance conditions imposed with respect to such awards shall be deemed to be fully achieved at target performance levels.

Clawback of Awards. Awards granted to an executive officer under the 2026 Plan will be subject to the Bank's Executive Compensation Clawback Policy and will be subject to recovery or clawback to the extent that recovery or repayment of the award is required by applicable law, including under circumstances that the financial results used to determine the amount of that award are materially inaccurate. In addition, awards will adhere to applicable laws relating to excessive compensation, golden parachute payments, and risk management, and may be subject to regulatory approval.

Amendment and Termination. The Board of Directors may amend or terminate the 2026 Plan at any time, provided that any such amendment or termination may not adversely affect any awards then outstanding without the participant's consent. Shareholder approval is required for any amendment that would require approval in order to satisfy the requirements of any rules of the stock exchange on which the common stock is traded or other applicable law. Unless terminated earlier by the Board of Directors, the 2026 Plan will terminate on March 25, 2036.

Amended and Restated 2009 Restricted Stock Plan

The River City Bank Restricted Stock Plan was first adopted on December 15, 2009 (the "2009 Plan"). The 2009 Plan was suspended in 2026 upon the adoption of the 2026 Plan and no more new awards may be issued under the 2009 Plan, though awards previously issued under the 2009 Plan remain outstanding.

As of December 31, 2025, there were unvested restricted stock awards for 230,450 shares under the 2009 Plan outstanding.

Securities Authorized for Issuance Under Equity Compensation Plans

The following table provides information as of December 31, 2025, regarding securities issued and remaining to be issued under our equity compensation plans that were in effect during the year 2025. The table does not include 2,250,000 shares available for issuance under our 2026 Plan, which was adopted after December 31, 2025.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights (a)	Weighted- Average Exercise Price of Outstanding Options, Warrants and Rights ($/per share) (b)	Number of Securities Remaining Available under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) (c)
Equity compensation plans approved by security holders	—	—	538,380
Equity compensation plans not approved by security holders	—	—	—
Total	—	—	538,380

Outstanding Equity Awards at Fiscal Year End

The following table sets forth information about the equity awards held by our named executive officers as of December 31, 2025. There were no outstanding stock options held by any of our named executive officers as of December 31, 2025.

Name	Stock Awards	
	Number of Shares or Units of Stock That Have Not Vested (#) (1)	Market Value of Shares or Units of Stock That Have Not Vested ($) (2)
Steve Fleming	—	—
Pat Lewis	14,990	$657,761
Brian Killeen	7,640	$335,243

(1) This column represents the unvested shares for restricted stock awards granted.

(2) The market value of the shares of restricted stock that have not vested is calculated by multiplying the number of shares of stock that have not vested by the closing price of our common stock at December 31, 2025.

Clawback Policy

Our Board of Directors has adopted an incentive compensation clawback policy (the "Clawback Policy") that may be applied in the event of a material financial restatement that complies with the listing standards of Nasdaq. The Clawback Policy, which is effective upon the completion of this offering, covers current and former executive officers and includes all incentive-based compensation. Specifically, in the event of an accounting restatement, the Bank must recover, reasonably promptly, any excess incentive-based compensation received during the three completed fiscal years immediately preceding the date on which the Bank is required to prepare an accounting restatement. Compensation that may be recoverable under the policy includes cash or equity-based compensation for which the grant, payment, or vesting is or was based wholly or in part on the attainment of a financial reporting measure. The amount to be recovered will be the excess of the incentive compensation paid based on the erroneous data over the incentive compensation that would have been paid had it been based on the restated results.

Director Compensation

For 2025, we paid retainer fees to non-officer directors for service on the Board of Directors and its committees. Each director received an annual cash retainer of $36,000, except for Mr. Lichtman, who joined our Board of Directors on July 15, 2025 and received $27,000 for a partial year of service. The Chairman of the Board received an additional cash retainer of $16,000. Directors also receive an additional cash retainer for each committee on which they serve. The Audit Committee chair received $12,400, other committee chairs received $6,200 and committee members received $3,100. In addition, the chair of our Special Committee, which was disbanded in 2026, received $18,000 and the other committee members received $15,000. We also granted each director a restricted stock award of 1,840 shares, except for Mr. Lichtman who received a restricted stock award of 1,380 shares for a partial year of service. These restricted stock awards vest in full on the first anniversary of the grant date or immediately if the director is 65 years old or upon reaching that age. Directors receive reimbursement for their out-of-pocket expenses incurred in connection with their duties as directors, including their attendance at director meetings.

The following table sets forth compensation paid or awarded to, or earned by, each of our directors (except for Mr. Fleming, whose compensation is disclosed under the section entitled "—*Summary Compensation Table*") during 2025. Mr. Fleming, our President and Chief Executive Officer, received no additional compensation for his services as a director in 2025.

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	All Other Compensation ($) (2)	Total ($)
Shawn Devlin	$76,800	$64,518	$382	$141,700
Frederick Durst	49,400	64,518	—	113,918
Ryan Gilbert	66,400	64,518	700	131,618
Kerry Gordon	57,500	64,518	—	122,018

Name	Fees Earned or Paid in Cash ($)	Stock Awards ($) (1)	All Other Compensation ($) (2)	Total ($)
Eric Johnson	65,500	64,518	327	130,345
David Lichtman	31,650	48,389	55	80,094
Michael Newell	57,700	64,518	700	122,918
Gary Orr	70,500	64,518	700	135,718
Stephanie Zarate	59,300	64,518	74	123,892

(1) The amounts reported in this column represent the grant date fair value of stock awards (all restricted stock awards) granted during fiscal year 2025, computed in accordance with FASB ASC Topic 718, valued based on the grant date fair market value. As of December 31, 2025, Mr. Gilbert and Mr. Newell each held 3,150 unvested shares of restricted stock; Mr. Johnson and Ms. Zarate each held 1,840 unvested shares of restricted stock; Mr. Lichtman held 1,380 unvested shares of restricted stock and Ms. Devlin, Mr. Durst, Mr. Gordon and Mr. Orr held no unvested shares of restricted stock.

(2) All Other Compensation reflects cash dividends on unvested equity awards.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Policies and Procedures Regarding Related Party Transactions

Our Board of Directors has adopted a written Related Party Transactions Policy (the “RPT Policy”). The RPT Policy describes the procedures used to identify, review, approve and disclose, if necessary, any transaction occurring since the beginning of our last fiscal year, or any currently proposed transaction, involving the Bank where the amount involved exceeds $120,000 and in which any of the following persons had or will have a direct or indirect material interest: (i) a director or director nominee; (ii) an executive officer; (iii) a person known by the Bank to be the beneficial owner of more than 5% of the Bank’s common stock; or (iv) a person known by the Bank to be an immediate family member of any of the foregoing. Each such transaction is referred to as a “Related Party Transaction.”

Under the RPT Policy, each of our directors and executive officers is required to inform the Chief Financial Officer of any potential Related Party Transaction. In addition, on an annual basis, each director and executive officer completes a questionnaire designed to elicit information about any potential Related Party Transactions. Once a transaction has been identified and is determined to constitute a Related Party Transaction, the Audit Committee will be provided with details regarding the transaction, including the terms of the transaction, the business purpose of the transaction and the benefit of the transaction to the Bank and the relevant related party. The Audit Committee is then required to review the transaction to determine whether it should be permitted or prohibited. In making its determination, the Audit Committee will consider all relevant factors, including but not limited to (i) whether the terms of the Related Party Transaction are fair to the Bank and on the same basis as would apply if the transaction did not involve a related party, (ii) whether there are business reasons for the Bank to enter into the Related Party Transaction, (iii) whether the Related Party Transaction would impair the independence of an outside director, and (iv) whether the Related Party Transaction would present an improper conflict of interest for any director or executive officer of the Bank. Any member of the Audit Committee that has an interest in a Related Party Transaction will abstain from voting on approval of the transaction but, if requested, may participate in the committee’s discussions regarding the transaction.

The Board of Directors has determined that the Audit Committee is best suited to review and approve related party transactions. The Audit Committee considers all of the relevant facts and circumstances available to the Audit Committee, including (if applicable) but not limited to: (i) the benefits to the Bank; (ii) the impact on a director’s independence in the event the related person is a director, an immediate family member of a director or an entity in which a director is a partner, shareholder or executive officer; (iii) the availability of other sources for comparable products or services; (iv) the terms of the transaction; and (v) the terms available to unrelated third parties or to employees generally. No member of the Audit Committee may participate in any review, consideration or approval of any related person transaction with respect to which such member or any of his or her immediate family members is the related person. The Audit Committee will approve only those related person transactions that are in, or are not inconsistent with, the best interests of the Bank and its shareholders, as the Audit Committee determines in good faith. The Audit Committee conveys its decision to the chief executive officer, who conveys the decision to the appropriate persons within the Bank.

Ordinary Banking Relationships

Certain of our officers, directors and principal shareholders, as well as their immediate family members and affiliates, are customers of, or have or have had transactions with us in the ordinary course of business. These transactions include deposits, loans and other financial services related transactions. Related party transactions are made in the ordinary course of business, on substantially the same terms, including interest rates and collateral (where applicable), as those prevailing at the time for comparable transactions with persons not related to us, and do not involve more than normal risk of collectability or present other features unfavorable to us. Any loans we originate with officers, directors and principal shareholders, as well as their immediate family members and affiliates, are approved by our Board of Directors in accordance with the bank regulatory requirements.

As of June 30, 2026, our officers and directors as well as their immediate families and affiliated companies, taken as a group, were indebted directly and indirectly to us in the amount of $569,000, while deposits from this group totaled $1.1 million as of such date. As of the date of this offering circular, no related party loans were categorized as nonaccrual, past due, restructured or potential problem loans. We expect to continue to enter transactions in the ordinary course of business on similar terms with our officers, directors and principal shareholders, as well as their immediate family members and affiliates.

Related Party Transactions

Other than the compensation arrangements with directors and executive officers described in the section entitled "*Executive Compensation*" and the ordinary banking relationships described above, none of our directors, executive officers or beneficial holders of more than 5% of our capital stock, or their immediate family members or entities affiliated with them, had or will have a direct or indirect material interest, in any transactions to which we have been a party.

Directed Share Program

At our request, the underwriters have reserved up to 10% of the shares of common stock offered by this offering circular for sale, at the initial public offering price, to our directors, officers, shareholders, employees, business associates and related persons who have expressed an interest in purchasing our common stock in this offering. See the section entitled "*Underwriting—Directed Share Program*."

PRINCIPAL AND SELLING SHAREHOLDERS

The following table provides information regarding the beneficial ownership (within the meaning of Rule 13d-3 promulgated under the Exchange Act) of our common stock as of June 30, 2026, and as adjusted to reflect the completion of this offering, for:

- each of our directors;
- each of our named executive officers;
- all of our directors and executive officers as a group; and
- each person known to us to be the beneficial owner of more than 5% of our common stock, including each Selling Shareholder.

We have determined beneficial ownership in accordance with the rules of the SEC. These rules generally provide that a person is the beneficial owner of securities if such person has or shares the power to vote or direct the voting of securities, or to dispose or direct the disposition of securities, or has the right to acquire such powers within 60 days. For purposes of calculating each person's percentage ownership, common stock issuable pursuant to options that are currently exercisable or will become exercisable within 60 days are included as outstanding and beneficially owned for that person or group, but are not deemed outstanding for the purposes of computing the percentage ownership of any other person. Except as disclosed in the footnotes to this table and subject to applicable community property laws, we believe that each person identified in the table has sole voting and investment power over all the shares shown opposite such person's name.

In addition, at our request, the underwriters have reserved up to 10% of the shares of common stock offered by this offering circular for sale, at the initial public offering price, to our directors, officers, shareholders, employees, business associates and related persons who have expressed an interest in purchasing our common stock in this offering. The table below does not reflect any purchases by these potential purchasers. If any shares are purchased by our existing principal shareholders, executive officers, directors, or their affiliated entities, the number and percentage of shares of our common stock beneficially owned by such persons after this offering will be higher than those set forth in the table below. See the section entitled "*Underwriting—Directed Share Program.*"

The percentage of beneficial ownership is based on 14,199,704 shares of our common stock outstanding as of June 30, 2026 including 204,829 shares of unvested restricted awards issued under our 2009 Plan.

Other than as discussed in the table below, no shareholders are known to us to beneficially own more than 5% of our outstanding common stock. The address for each shareholder listed in the table below is: c/o River City Bank, 2480 Natomas Park Drive, Suite 150, Sacramento, California.

	Shares of Common Stock Owned as of June 30, 2026		Shares of Common Stock Being Sold in this Offering	Shares of Common Stock Beneficially Owned After the Offering	
Name	**Number**	**Percentage**		**Number**	**Percentage**
Directors and Named Executive Officers:					
Shawn K. Devlin (1)	5,054,920	35.6%	1,350,000	3,704,920	26.1%
Frederick J. Durst	39,642	*	—	39,642	*
Steve Fleming (2)	3,954,270	27.8%	1,350,000	2,604,270	18.3%
Ryan Gilbert (3)	10,870	*	—	10,870	*
Kerry F. Gordon	20,100	*	—	20,100	*
Eric Johnson (4)	36,240	*	—	36,240	*
Brian Killeen (5)	27,777	*	—	27,777	*
Pat Lewis (6)	59,707	*	—	59,707	*

Name	Shares of Common Stock Owned as of June 30, 2026		Shares of Common Stock Being Sold in this Offering	Shares of Common Stock Beneficially Owned After the Offering	
	Number	Percentage		Number	Percentage
David B. Lichtman (7)	1,380	*	—	1,380	*
Michael Newell (8)	54,750	*	—	54,750	*
Gary M. Orr	10,585	*	—	10,585	*
Stephanie Zarate (9)	1,840	*	—	1,840	*
Directors and executive officers as a group (15 in number) (10)	9,483,002	66.8%	2,700,000	6,783,002	47.8%
Selling and 5% Shareholders:					
Jon S. Kelly Marital Trust II (2)	3,529,340	24.9%	1,350,000	2,179,340	15.3%
Shawn L. Devlin Revocable Trust (1)	4,784,780	33.7%	1,350,000	3,434,780	24.2%
Total 5% and Selling Shareholders	8,314,120				

* Less than 1.0%.

(1) Ms. Devlin's beneficial ownership includes 4,784,780 shares of common stock held by the Shawn L. Devlin Revocable Trust for which she serves as the sole trustee and 270,140 shares of common stock held in two trusts for the benefit of her son, Connor G. Devlin, for which she serves as a co-trustee.

(2) Mr. Fleming's beneficial ownership includes 3,529,340 shares of common stock held by the Jon S. Kelly Marital Trust II for which he and Scott Nichols serve as co-trustees and 424,930 shares of common stock held personally. Mr. Fleming disclaims beneficial ownership of the shares of common stock held by the Marital Trust and has no pecuniary interest in the Marital Trust or the shares of common stock it holds. Shares of common stock being sold in the offering are those of the Marital Trust and not Mr. Fleming.

(3) Includes 3,150 shares of unvested restricted stock.

(4) Includes 1,840 shares of unvested restricted stock and 190 shares held in trust for the benefit of minor child for Mr. Johnson serves as trustee.

(5) Includes 9,380 shares of unvested restricted stock.

(6) Includes 14,173 shares of unvested restricted stock.

(7) Includes 1,380 shares of unvested restricted stock.

(8) Includes 3,150 shares of unvested restricted stock and 7,000 shares of common stock held by the Jon S Kelly Charitable Lead Annuity Trust, for which Mr. Newell serves as trustee.

(9) Includes 1,840 shares of unvested restricted stock.

(10) Includes 75,259 shares of unvested restricted stock.

DESCRIPTION OF CAPITAL STOCK

The following is a summary of the material rights of our capital stock and related provisions of our articles of incorporation and bylaws. The following description of our capital stock does not purport to be complete and is subject to, and qualified in its entirety by, our articles and bylaws, which we have included as exhibits to the registration statement of which this offering circular is a part. We urge you to read these documents for a more complete understanding of shareholder rights.

Our articles of incorporation authorize the issuance of up to 80,000,000 shares of common stock, without par value, and up to 40,000,000 shares of preferred stock, without par value. At June 30, 2026, we had issued and outstanding 14,199,704 shares of our common stock including 204,829 shares of unvested restricted stock. We have reserved an additional 2,248,840 shares that remain available for issuance under our 2026 Omnibus Equity Incentive Plan. We have no shares of preferred stock outstanding.

Common Stock

Each share of common stock has the same rights, privileges and preferences as every other share of common stock, and there is no preemptive, conversion, redemption rights or sinking fund provisions applicable to our common stock. The designations and powers, preferences and rights and the qualifications, limitations or restrictions of the common stock are described below.

Dividend Rights. Subject to the rights of preferred stock we may use in the future, each share of common stock will participate equally in dividends, which are payable when and as declared by our Board of Directors.

Liquidation and Dissolution. After the return of all funds to depositors and the payment of creditors and after distribution in full of the preferential amounts to be distributed to the holders of all classes and series of stock entitled thereto or the holders of capital notes, if any, in the event of a voluntary or involuntary liquidation, dissolution or winding up of the corporation, as provided for in the California Financial Code, the holders of the common stock shall be entitled to receive all our remaining assets.

Voting Rights; No Cumulative Voting. Each holder of common stock is entitled to one vote per share on any issue requiring a vote. Shareholders are not entitled to cumulate votes in the election of directors.

Any action that, under any provision of the California Corporations Code, may be taken at a meeting of the shareholders, may be taken without a meeting and without prior notice if a consent in writing, setting forth the action so taken, shall be signed by the holders of the outstanding shares having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares are entitled to vote thereon were present and voted; provided, that unless the consents of all shareholders entitled to vote have been solicited in writing, notice of any shareholder approval without a meeting by less than unanimous consent must be given as required under the California Corporations Code, to such shareholders who are required to receive such notice under the California Corporations Code; and provided, further, that directors may be elected by written consent only if signed by the holders of all outstanding shares entitled to vote for the election of directors, except that action taken by shareholders to fill one or more vacancies on the Board of Directors (other than any vacancy created by removal) that has not been filled by the Board of Directors may be taken by written consent of a majority of the outstanding shares entitled to vote.

Absence of Preemptive Rights. Our common stock does not have preemptive rights or other rights to subscribe for additional shares.

Restriction on Stock as Collateral. California law prohibits a California state-chartered bank from lending on the security of its own stock or to purchase such stock unless such loan or purchase is necessary to prevent loss to the Bank on debts previously contracted in good faith. Consequently, the common stock may not be used as collateral to secure a loan from the Bank.

Restrictions on Ownership of Our Common Stock. The ability of a third party to acquire our stock is also limited under applicable U.S. banking laws, and regulatory approval for the acquisition of our stock may be required under certain circumstances. The Bank Holding Company Act of 1957, as amended (the “BHC Act”) requires any bank holding company to obtain the approval of the Federal Reserve prior to acquiring 5% or more of our outstanding common stock. Any corporation or other company that becomes a holder of 25% or more of our outstanding common stock or otherwise is deemed to control us under the BHC Act, would be subject to regulation as a bank holding company under the BHC Act. In addition, any person other than a bank holding company may be required to obtain prior approval of the appropriate federal bank regulatory agency to acquire 10% or more of our outstanding common stock under the Change in Bank Control Act (“CBCA”) or the BHC Act. Further, prior approval of the DFPI is required for any person to acquire control of us, and control for these purposes is presumed to exist when a person owns 10% or more of our outstanding common stock.

Advance Notice Provisions for Shareholder Nominations and Shareholder Proposals. Our bylaws provide that shareholders must provide advance notice of any proposal or nomination for election as a director which a shareholder desires to bring before a meeting of shareholders. Such requirements are in addition to any requirements under SEC Rules 14a-8 and 14a-19 for shareholder proposals and shareholder director candidate to be included in the Bank’s proxy materials.

Stock Exchange Listing. Our common stock has been approved for listing on the NASDAQ Capital Market under the symbol “RCBC.”

Preferred Stock

Upon authorization of our Board of Directors, we may issue shares of one or more series of our preferred stock from time to time. Our Board of Directors may, without any action by holders of common stock and except as may be otherwise provided in the terms of any series of preferred stock of which there are shares outstanding, adopt resolutions to designate and establish a new series of preferred stock. Upon establishing such a series of preferred stock, the Board of Directors will determine the number of shares of preferred stock of that series that may be issued and the rights and preferences of that series of preferred stock. The rights of any series of preferred stock may include, among others:

- general or special voting rights;
- preferential liquidation rights;
- preferential cumulative or noncumulative dividend rights;
- redemption or put rights; and
- conversion or exchange rights.

We may issue shares of, or rights to purchase shares of, one or more series of our preferred stock that have been designated from time to time, the terms of which might:

- adversely affect voting or other rights evidenced by, or amounts otherwise payable with respect to, the common stock or other series of preferred stock;
- discourage an unsolicited proposal to acquire us; or
- facilitate a particular business combination involving us.

Any of these actions could have an anti-takeover effect and discourage a transaction that some or a majority of our shareholders might believe to be in their best interests or in which our shareholders might receive a premium for their stock over our then market price.

Anti-Takeover Considerations and Special Provisions of Our Articles of Incorporation, Bylaws and California Law

California law and certain provisions of our articles and bylaws could have the effect of delaying or deferring the removal of incumbent directors or delaying, deferring or discouraging another party from acquiring control of us, even if such removal or acquisition would be viewed by our shareholders to be in their best interests. These provisions, summarized below, are intended to encourage persons seeking to acquire control of us to first negotiate with our Board of Directors. These provisions also serve to discourage hostile takeover practices and inadequate takeover bids. We believe that these provisions are beneficial because the negotiation they encourage could result in improved terms of any unsolicited proposal.

***Authorized But Unissued Capital Stock*.** We had 65,800,296 shares of authorized but unissued shares of common stock at June 30, 2026, and we have reserved an additional 2,248,840 shares of common stock for future equity awards, resulting in 63,551,456 shares of common stock that may be issued by our Board of Directors as of that date. We also have 40,000,000 shares of authorized but unissued shares of preferred stock, and our Board of Directors may authorize the issuance of one or more series of preferred stock without shareholder approval. These shares could be used by our Board of Directors to make it more difficult or to discourage an attempt to obtain control of us through a merger, tender offer, proxy contest or otherwise.

***Limitation on Right to Call a Special Meeting of Shareholders*.** Our bylaws provide that special meetings of shareholders may only be called by our chairman, our president, the Board of Directors or by the holders of not less than 10% of our outstanding shares of capital stock entitled to vote for the purpose or purposes for which the meeting is being called.

***Advance Notice Provisions*.** Additionally, our bylaws provide that nominations for directors must be made in accordance with the provisions of our bylaws, which generally require, among other things, that such nominations be provided in writing to our corporate secretary, not less than 60 days prior to the meeting or 10 days after the date of mailing of the notice of meeting to shareholders, and that the notice to our corporate secretary contain certain information about the shareholder and the director nominee.

Filling of Board Vacancies; Removals. Any vacancies in our Board of Directors and any directorships resulting from any increase in the number of directors may be filled by a majority of the remaining directors, or if the number of directors then in office is less than a quorum, by (i) unanimous written consent of the directors then in office, (ii) the affirmative vote of a majority of the directors then in office at a meeting held pursuant to notice or waivers of notice, or (iii) a sole remaining director. However, a vacancy created by the removal of a director by the vote or written consent of the shareholders or by court order may be filled only by the affirmative vote of a majority of the shares represented and voting at a duly held meeting at which a quorum is present, or by the unanimous written consent of all shares entitled to vote thereon.

New or Amendment of the Bylaws. New bylaws may be adopted or the bylaws may be amended or repealed by the vote or written consent of holders of a majority of the outstanding shares entitled to vote. Our bylaws also provide that except for changing the range of directors or providing for the approval by the Board of Directors, acting alone, of a loan or guarantee to any officer or an employee benefit plan providing for the same, our bylaws may be altered, amended or repealed by our Board of Directors without prior notice to or approval by our shareholders. Accordingly, our Board of Directors could take action to amend our bylaws in a manner that could have the effect of delaying, deferring or discouraging another party from acquiring control of us.

Voting Provisions. Our articles do not provide for certain heightened voting thresholds needed to consummate a change in control transaction, such as a merger, the sale of substantially all our assets or other similar transaction. Accordingly, we will not be able to consummate a change in control transaction or sell all or substantially all of our assets without obtaining the affirmative vote of the holders of shares of our capital stock having at least a majority of the voting power of all outstanding capital stock entitled to vote thereon.

Preferred Stock. Our articles of incorporation contains provisions that permit our Board of Directors to issue, without any further vote or action by the shareholders, up to 40,000,000 shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting the series and the designation of the series, the voting rights (if any) of the shares of the series, and the powers, preferences and relative, participation, optional and other special rights, if any, and any qualifications, limitations or restrictions, of the shares of such series.

Board Size and Vacancies. Our bylaws enable our Board of Directors to increase the size of the Board of Directors between annual meetings and fill the vacancies created by the increase by a majority of the remaining directors.

Special Meetings of Shareholders. A special meeting of the shareholders may be called at any time by the Board of Directors, or by the chairman of the board, the president or by the chief executive officer, or by one or more shareholders holding shares in the aggregate entitled to cast not less than 10% of the votes at that meeting. For a special shareholders' meeting to be called by one or more shareholder(s), our bylaws require such request to be in writing, specifying the time and business of the meeting according to our bylaws and shall deliver such request in person or by registered or certified mail to our Board of Directors or designated officers. The notice must include certain information about proposing shareholder(s) and the proposed business to be acted upon at the special meeting.

Advance Notice Procedures for Director Nominations and Shareholder Proposals. Our bylaws establish an advance notice procedure regarding business to be brought before an annual or special meeting of shareholders and with regard to the nomination of candidates for election as directors, other than by or at the direction of the Board of Directors. Although this procedure does not give our Board of Directors any power to approve or disapprove shareholder nominations for the election of directors or proposals for action, it may have the effect of precluding a contest for the election of directors or the consideration of shareholder proposals if the established procedure is not followed, and of discouraging or deterring a third party from conducting a solicitation of proxies to elect its own slate of directors or to approve its proposal without regard to whether consideration of the nominees or proposals might be harmful or beneficial to our shareholders and us.

Amending our Bylaws. Our Board of Directors may amend our bylaws, other than a bylaw specifying or changing a fixed number of directors or the maximum or minimum number or changing from a fixed to a variable board or vice versa, without shareholder approval.

Approval of Merger. Under the California Corporations Code, most business combinations, including mergers, consolidations and sales of substantially all the assets of a California corporation, must be approved by the vote of the holders of at least a majority of the outstanding shares of common stock and any other affected class of stock of such corporation. The articles of incorporation or bylaws of a California corporation may, but are not required to, set a higher standard for approval of such transactions. Our articles of incorporation and bylaws do not set higher limits.

Elimination of Liability and Indemnification. Our articles of incorporation provide that a director of the Bank will not incur any personal liability to us, the Bank or our shareholders for monetary damages for certain breaches of fiduciary duty as a director. A director's liability, however, is not eliminated with respect to (i) any breach of the duty of loyalty, (ii) acts or omissions not in good faith or which involve intentional misconduct or a knowing violation of law, (iii) paying a dividend or approving a stock repurchase which is illegal under certain provisions of state law, or, (iv) any transaction from which the director derived an improper personal benefit. Our articles of incorporation and bylaws also provide, among other things, for the indemnification of our directors, officers and agents, and authorize our Board of Directors to pay expenses incurred by, or to satisfy a judgment or fine rendered or levied against, such agents in connection with any personal legal liability incurred by the individual while acting for us within the scope of his or her employment (subject to certain limitations). It is the policy of our Board of Directors that our directors, officers and agents shall be indemnified to the maximum extent permitted under applicable law and our articles of incorporation and bylaws, and we have obtained director and officer liability insurance covering all of our officers and directors.

We have entered into indemnification agreements with each of our directors and executive officers to provide indemnification to the maximum extent permitted by the California Corporations Code and to advance expenses in such instances subject to the requirement to reimburse us for such expenses if such director or executive officer is found liable.

We are prohibited from providing indemnification if federal banking law prohibits such payment, including but not limited to Section 1828(k) of the Federal Deposit Insurance Act.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to our directors and officers or for persons controlling us under any of the foregoing provisions, it is the opinion of the Securities and Exchange Commission that indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable. Finally, our ability to provide indemnification to our directors and officers is limited by federal banking laws and regulations, including, but not limited to, section 18(k) of the FDI Act and implementing regulations of the FDIC.

California and Federal Banking Law. Section 1203 of the California Corporations Code includes provisions that may have the effect of deterring hostile takeovers or delaying or preventing in control or management of the Bank. If an "interested person" makes an offer to purchase the shares of some or all of our shareholders, we must obtain an affirmative opinion in writing as to the fairness of the offering price prior to completing the transaction. California law considers a person to be an "interested person" if the person directly or indirectly controls our company, if the person is directly or indirectly controlled by one of our officers or directors, or if the person is an entity in which one of our officers or directors holds a material financial interest. If after receiving an offer from such an "interested person" we receive a subsequent offer from a neutral third party, then we must notify our shareholders of this offer and afford each of them the opportunity to withdraw their consent to the "interested person" offer.

Under the California Financial Code, no person shall, directly or indirectly, acquire control of a California state bank or unless the DFPI has approved such acquisition of control. A person would be deemed to have acquired control of the Bank if such person, directly or indirectly, has the power (i) to vote 25% or more of the voting power of the Bank or (ii) to direct or cause the direction of the management and policies of the Bank. For purposes of this law, a person who directly or indirectly owns or controls 10% or more of our outstanding common stock would be presumed to control the Bank.

The BHC Act generally would prohibit any company that is not engaged in financial activities and activities that are permissible for a bank holding company or a financial holding company from acquiring control of the Bank. “Control” is generally defined as ownership of 25% or more of the voting stock or other exercise of a controlling influence. In addition, any existing bank holding company would need the prior approval of the Federal Reserve before acquiring 5% or more of our voting stock. The CBCA prohibits a person or group of persons from acquiring control of a bank holding company unless the Federal Reserve has been notified and has not objected to the transaction. Under a rebuttable presumption established by the Federal Reserve, the acquisition of 10% or more of a class of voting stock of a bank holding company with a class of securities registered under Section 12 of the Exchange Act, such as the Bank, could constitute acquisition of control of the bank holding company.

The foregoing provisions of California and federal law could make it more difficult for a third party to acquire a majority of our outstanding voting stock, by discouraging a hostile bid, or delaying, preventing or deterring a merger, acquisition or tender offer in which our shareholders could receive a premium for their shares, or effect a proxy contest for control of our company or other changes in our management. The foregoing is qualified in its entirety by reference to our articles of incorporation and bylaws, both of which are on file with the FDIC.

Transfer Agent

Our transfer agent is Computershare. Computershare’s principal business address is 150 Royall St., Canton, MA 02021 and their telephone number is (800) 942-5909.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been a limited public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales may occur, could adversely affect market prices prevailing from time to time. Furthermore, because only a limited number of shares will be available for sale shortly after this offering due to existing contractual and legal restrictions on resale as described below, there may be sales of substantial amounts of our common stock in the public market after the restrictions lapse. This may adversely affect the prevailing market price and our ability to raise equity capital in the future.

Upon completion of this offering, we will have 14,199,704 shares of common stock outstanding, all of which will be freely transferable without restriction or registration under the Securities Act and 204,829 of which are restricted shares issued as equity awards that are subject to vesting conditions. As a result of the contractual lock-up periods described below, 6,707,743 of these shares will be available for sale in the public market only after 180 days from the date of this offering circular.

Lock-up Agreements

The Selling Shareholders and each of our executive officers and directors have agreed, subject to certain exceptions, not to offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant for the sale of, otherwise dispose of or transfer any shares of our common stock or any securities convertible into or exchangeable or exercisable for common stock for a period of 180 days after the date of this Offering Circular without the prior written consent of Raymond James & Associates, Inc. (“Raymond James”), on behalf of the underwriters. See section entitled “*Underwriting*.”

MATERIAL U.S. FEDERAL INCOME TAX CONSIDERATIONS TO NON-U.S. HOLDERS

The following discussion is a summary of the material U.S. federal income tax consequences of the ownership and disposition of our common stock by Non-U.S. Holders (as defined below) that acquire our common stock in this offering and hold it as a capital asset. This discussion does not purport to be a complete analysis of all potential tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed in this summary. This discussion is based on the Internal Revenue Code of 1986, as amended (the "Code"), final, temporary and proposed Treasury regulations promulgated thereunder, judicial decisions, and published rulings and administrative pronouncements of the Internal Revenue Service (the "IRS") and U.S. Treasury Department, in each case in effect as of the date of this offering circular. These authorities may change or be subject to differing interpretations at any time. Any such change or differing interpretation may be applied retroactively in a manner that could adversely affect a Non-U.S. Holder of our common stock. We have not sought and will not seek any rulings from the IRS regarding the statements made and the conclusions reached in the discussion below. There can be no assurance the IRS or a court will agree with our position discussed below regarding the U.S. federal income tax consequences of the ownership and disposition of our common stock. We cannot assure you that a change in law will not significantly alter the tax considerations described in this discussion.

This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including any alternative minimum tax, the impact of the Medicare contribution tax on net investment income and any aspect of state, local or non-U.S. taxation or any tax treaties. In addition, it does not address consequences relevant to Non-U.S. Holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens;
- persons who have elected to mark securities to market for U.S. federal income tax purposes or who hold our common stock as part of a straddle, appreciated financial position, synthetic security, conversion transaction or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- banks, insurance companies, and other financial institutions;
- brokers or dealers in securities or foreign currencies;
- "controlled foreign corporations," "passive foreign investment companies," and corporations that accumulate earnings to avoid U.S. federal income tax;
- qualified foreign pension funds (or any entities all of the interests of which are held by a qualified foreign pension fund) or any other person that is subject to special rules or exemptions under the Foreign Investment in Real Property Tax Act;
- persons whose functional currency is not the U.S. dollar;
- traders in securities that use the mark-to-market method of accounting for U.S. federal income tax purposes;
- persons subject to the alternative minimum tax;
- entities or arrangements treated as partnerships or other pass-through entities for U.S. federal income tax purposes or holders of interests therein;
- persons that acquired our common stock through the exercise of employee stock options or otherwise as compensation or through a tax-qualified retirement plan;
- certain former citizens or long-term residents of the United States;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the stock being taken into account in an applicable financial statement;
- tax-exempt organizations, pension plans, tax-qualified retirement plans, or governmental organizations; and

- persons deemed to sell our common stock under the constructive sale provisions of the Code.

If an entity treated as a partnership for U.S. federal income tax purposes holds our common stock, the tax treatment of a partner in the partnership will depend on the status of the partner and the activities of the partnership and whether the income is characterized as "active" or "passive" income. Accordingly, partnerships holding our common stock and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences, as well as, the state and local tax consequences to them.

THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS, AS WELL AS ANY TAX CONSEQUENCES OF THE OWNERSHIP AND DISPOSITION OF OUR COMMON STOCK ARISING UNDER THE U.S. FEDERAL ESTATE OR GIFT TAX LAWS OR UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE INCOME TAX TREATY.

Definition of a Non-U.S. Holder

For purposes of this discussion, a "Non-U.S. Holder" is any beneficial owner of our common stock that is for U.S. federal income tax purposes:

- a non-resident alien;
- a foreign corporation;
- an estate, the income of which is not subject to U.S. federal income taxation regardless of its source; or
- a trust that does not have in effect a valid election under the U.S. Treasury Regulations, to be treated as a United States person and either (i) no court within the United States is able to exercise primary supervision over the trust's administration or (ii) no United States person has the authority to control all substantial decisions of that trust.

Distributions

Distributions of cash or property (other than certain stock distributions) on our common stock will generally constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Distributions in excess of our current and accumulated earning and profits will first constitute a tax-free return of capital to the extent of a Non-U.S. Holder's adjusted tax basis in its common stock and thereafter capital gain, which is subject to the tax treatment described below in the section entitled "*—Sale or Other Taxable Disposition*."

Subject to the discussion below in the sections entitled "*—Information Reporting and Backup Withholding*" and "*—FATCA Withholding*" and the discussion below on effectively connected income, distributions treated as dividends and paid to a Non-U.S. Holder will generally be subject to U.S. federal tax withholding at a rate of 30% of the gross amount of the dividends or such lower rate specified by an applicable income tax treaty. To receive a reduced withholding rate, i.e., a treaty rate, a Non-U.S. Holder must timely furnish a valid, applicable IRS Form W-8 (or other applicable documentation) certifying qualification for the lower treaty rate. A Non-U.S. Holder that does not timely furnish the required documentation, but that qualifies for a reduced income tax treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If dividends paid to a Non-U.S. Holder are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States), the Non-U.S. Holder will be exempt from the U.S. federal tax withholding described above. To claim the exemption, the Non-U.S. Holder must furnish to the applicable withholding agent a valid IRS Form W-8ECI, certifying that the dividends are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States. Any such effectively connected dividends will be subject to U.S. federal income tax on a net income basis at the regular rates that also apply to U.S. persons. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected dividends, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any other U.S. tax consequences of the ownership of our common stock, including any applicable tax treaties that may provide for different rules.

Sale or Other Taxable Disposition

Subject to the discussion below under "Information Reporting and Backup Withholding" and "—FATCA Withholding," a Non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on any gain realized upon the sale or other taxable disposition of our common stock unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, attributable to a permanent establishment or fixed base maintained by the Non-U.S. Holder in the United States);
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met; or
- we are or have been a "U.S. real property holding corporation", or USRPHC for U.S. federal income tax purposes as described below, at any time within the shorter of the five-year period preceding such disposition or such Non-U.S. Holder's holding period for our common stock (the "relevant period") and the Non-U.S. Holder (i) disposes of our common stock during a calendar year when our common stock is no longer regularly traded on an established securities market or (ii) owned (directly, indirectly and constructively) more than 5% of our common stock at any time during the relevant period.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular rates in the same manner as if such holder were a resident of the United States. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on such effectively connected gain, as adjusted for certain items. Non-U.S. Holders should consult their tax advisors regarding any other U.S. tax consequences of the disposition of our common stock, including any applicable tax treaties that may provide for different rules.

Gain described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), which may be offset by U.S. source capital losses of the Non-U.S. Holder for the year, provided the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

With respect to the third bullet point above, we believe we currently are not, and do not anticipate becoming, a USRPHC. Because the determination of whether we are a USRPHC depends, however, on the fair market value of our United States real property interests as defined in the Code and applicable Treasury regulations relative to the aggregate fair market value of our worldwide real property interests and our other business assets used or held for use in a trade or business, there can be no assurance we currently are not a USRPHC or will not become one in the future.

Information Reporting and Backup Withholding

Payments of dividends on our common stock and the payment of the proceeds from the disposition of our common stock effected at a U.S. office of a broker generally will not be subject to backup withholding. Additionally, the payment of proceeds from the disposition of our common stock effected at a U.S. office of a broker will generally not be subject to information reporting, provided the applicable withholding agent does not have actual knowledge or reason to know the Non-U.S. Holder is a United States person and the Non-U.S. Holder either certifies its non-U.S. status, such as by furnishing a valid applicable IRS Form W-8BEN or IRS Form W-8BEN-E (or other applicable or successor forms) upon which it may rely to treat the payments as made to a non-U.S. person in accordance with U.S. Treasury regulations or otherwise establishes an exemption.

However, we are required to file information returns with the IRS in connection with any distribution on our common stock paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Payment of the proceeds from the disposition of our common stock effected at a foreign office of a broker generally will not be subject to information reporting or backup withholding. However, a disposition of our common stock by a Non-U.S. Holder that is effected at a foreign office of a broker will be subject to information reporting and backup withholding if (i) the proceeds are transferred to an account maintained by the Non-U.S. Holder in the United States, (ii) the payment of proceeds or the confirmation of the disposition is mailed to the Non-U.S. Holder at a U.S. address or (iii) the disposition has some other specified connection with the United States as provided in the Treasury regulations, unless, in each case, the broker does not have actual knowledge or reason to know that the holder is a United States person and the documentation requirements described above are met or the Non-U.S. Holder otherwise establishes an exemption.

In addition, a disposition of our common stock will be subject to information reporting if it is effected at a foreign office of a broker that is (i) a United States person, (ii) a "controlled foreign corporation" for U.S. federal income tax purposes, (iii) a foreign person 50% or more of whose gross income is effectively connected with the conduct of a U.S. trade or business for a specified three-year period or (iv) a foreign partnership, if at any time during its tax year (a) one or more of its partners are "U.S. persons," as defined in the Treasury regulations, who in the aggregate hold more than 50% of the income or capital interest in the partnership or (b) such foreign partnership is engaged in the conduct of a trade or business in the United States, in each case unless the broker does not have actual knowledge or reason to know that the holder is a United States person and the documentation requirements described above are met or an exemption is otherwise established.

A Non-U.S. Holder may be subject to backup withholding on payments on our common stock or on the proceeds from a disposition of our common stock, unless the Non-U.S. Holder complies with certification procedures to establish that it is not a U.S. person or otherwise establishes an exemption. Providing a properly executed applicable IRS Form W-8 certifying a Non-U.S. Holder's non-U.S. status will permit the Non-U.S. Holder to avoid backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, provided the required information is timely furnished to the IRS.

FATCA Withholding

Sections 1471 through 1474 of the Code and the Treasury Regulations issued thereunder (commonly referred to as the Foreign Account Tax Compliance Act, or FATCA) impose a 30% tax withholding on dividends paid on our common stock to, and (subject to the proposed Treasury Regulations discussed below) the gross proceeds derived from the sale or other disposition of our common stock by, a foreign entity if the foreign entity is:

- a "foreign financial institution" (as defined under FATCA) that does not furnish sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (i) an exemption from FATCA withholding, (ii) its compliance (or deemed compliance) with specified due diligence, reporting, withholding and certification obligations under FATCA or (iii) residence in a jurisdiction that has entered into an intergovernmental agreement with the United States relating to FATCA and compliance with the diligence and reporting requirements of the intergovernmental agreement and local implementing rules; or

- a “non-financial foreign entity” (as defined under FATCA and whether such non-financial foreign entity is the beneficial owner or an intermediary)) that does not provide sufficient documentation, typically on IRS Form W-8BEN-E, evidencing either (i) an exemption from FATCA or (ii) adequate information regarding substantial United States beneficial owners of such entity (if any).

Withholding under FATCA generally applies to payments of dividends on our common stock and to payments of gross proceeds from a sale or other disposition of our common stock. Proposed Treasury regulations eliminate FATCA withholding on payments of gross proceeds. The preamble to these proposed Treasury regulations indicates that taxpayers generally may rely on them pending their finalization.

If a dividend payment is subject to withholding both under FATCA and the tax withholding rules discussed above in the section entitled “*—Dividends*,” the withholding under FATCA may be credited against, and therefore reduce, such other tax withholding. Non-U.S. Holders of our common stock should consult their own tax advisors regarding these requirements and whether they may be relevant to their ownership and disposition of our common stock.

Under certain circumstances, a Non-U.S. Holder will be eligible for refunds or credits of tax withholding imposed under FATCA by filing a United States federal income tax return (which may entail significant administrative burden). Prospective investors should consult their tax advisors regarding the effect of FATCA on their ownership and disposition of our common stock, including the availability of any intergovernmental agreement between the United States and an applicable foreign country which modifies the requirements mentioned above.

UNDERWRITING

Raymond James and Keefe, Bruyette & Woods, Inc. are acting as representatives of each of the underwriters named below. Subject to the terms and conditions set forth in an underwriting agreement dated the date of this offering circular, the Selling Shareholders have agreed to sell to the underwriters, and each of the underwriters has agreed, severally and not jointly, to purchase from the Selling Shareholders, the number of our shares of common stock set forth opposite its name below.

Underwriter	Number of Shares
Raymond James & Associates, Inc.	1,350,000
Keefe, Bruyette & Woods, Inc.	810,000
D.A. Davidson & Co.	270,000
Stephens Inc.	270,000
Total	2,700,000

Subject to the terms and conditions set forth in the underwriting agreement, the underwriters have agreed, severally and not jointly, to purchase all of the shares of common stock sold under the underwriting agreement. If an underwriter defaults, the underwriting agreement provides that the purchase commitments of the non-defaulting underwriters may be increased or the underwriting agreement may be terminated.

The Bank and the Selling Shareholders have agreed to indemnify the several underwriters against certain liabilities or to contribute to payments the underwriters may be required to make in respect of those liabilities.

The underwriters are offering shares of common stock, subject to prior sale, when, as and if issued to and accepted by them, subject to approval of legal matters by their counsel, including the validity of the shares of common stock, and other conditions contained in the underwriting agreement, such as the receipt by the underwriters of officers' certificates and legal opinions. The underwriters reserve the right to withdraw, cancel or modify offers to the public and to reject orders in whole or in part.

Underwriting Discounts and Expenses

The representatives have advised the Selling Shareholders that the underwriters propose initially to offer shares of common stock to the public at the public offering price set forth on the cover page of this offering circular and to dealers at that price less a concession not in excess of $1.314 per share of common stock. After this offering, the public offering price, concession or any other term of this offering may be changed.

The following table shows the public offering price, underwriting discount and proceeds before expenses to the Selling Shareholders.

	Per Share
Public offering price	$45.00
Underwriting discount	2.19
Proceeds, before expenses, to the Selling Shareholders	$42.81

The estimated expenses of this offering payable by us, exclusive of the underwriting discount, are approximately $1.1 million. We will reimburse the underwriters for certain reasonable out-of-pocket expenses (including those related to the directed share program, blue-sky laws and the review by the Financial Industry Regulatory Authority of the terms of sale of the shares of common stock offered hereby) not to exceed $75,000 in the aggregate.

Lock-up Agreements

The Selling Shareholders and each of our executive officers and directors have entered into lock-up agreements with the underwriters. Under these agreements, each of these persons will not be permitted to, without the prior written approval of the underwriters, subject to limited exceptions,

- offer, sell, contract to sell, pledge, grant any option to purchase or otherwise dispose of or transfer any shares of our common stock or any securities convertible into or exchangeable or exercisable or exchangeable for, or any rights to purchase or otherwise acquire, and Bank securities; or
- engage in any hedging, collar (whether or not for any consideration) or other transaction that is designed to or reasonably expected to lead or result in the disposition of Bank securities.

These restrictions will be in effect for a period of 180 days after the date of the underwriting agreement. At any time and without public notice, the underwriters will be permitted to, in their sole discretion and subject to our written consent, release all or some of the shares of our common stock from these lock-up agreements. Any such release shall be granted to all holders subject to lock-up agreements on a pro rata basis, unless we consent in writing.

These restrictions also apply to securities convertible into or exchangeable or exercisable for or repayable with common stock to the same extent as they apply to our common stock. They also apply to common stock owned now or acquired later by the person executing the agreement or for which the person executing the agreement later acquires the power of disposition.

Pricing of the Offering

This is the initial public offering of our common stock. Prior to this offering, there has been no established public trading market for our common stock, although our common stock has been quoted on the OTCID Basic Market under the symbol “RCBC”. The initial public offering price was negotiated among the Selling Shareholders and the underwriters. The factors considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, included the information set forth in this offering circular, our financial and operating performance, estimates of our business potential and earnings prospects and those of our industry in general, an assessment of management and the consideration of the above factors in relation to market valuation of companies in related businesses. Neither we nor the underwriters can assure investors that an active trading market will develop for our common stock or that the common stock will trade in the public market at or above the initial offering price.

Our common stock has been approved for listing on the NASDAQ Capital Market under the symbol “RCBC.”

Price Stabilization, Short Positions and Penalty Bids

Until the distribution of our shares of common stock is completed, SEC rules may limit underwriters and selling group members from bidding for and purchasing our shares of common stock. However, the underwriters may engage in transactions that stabilize the price of the shares of common stock, such as bids or purchases to peg, fix or maintain that price.

In connection with this offering, the underwriters may purchase and sell our shares of common stock in the open market. These transactions may include short sales, purchases on the open market to cover positions created by short sales and stabilizing transactions. Short sales involve the sale by the underwriters of a greater number of our shares of common stock than they are required to purchase in this offering.

The underwriters must close out any short position by purchasing our shares of common stock in the open market. A short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of our shares of common stock in the open market after pricing that could adversely affect investors who purchase in this offering. Stabilizing transactions consist of various bids for or purchases of our shares of common stock made by the underwriters in the open market prior to the completion of this offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the underwriters have repurchased shares of common stock sold by or for the account of such underwriter in stabilizing or short covering transactions.

Similar to other purchase transactions, the underwriters' purchases to cover the syndicate short sales may have the effect of raising or maintaining the market price of our shares of common stock or preventing or retarding a decline in the market price of our shares of common stock. As a result, the price of our shares of common stock may be higher than the price that might otherwise exist in the open market. The underwriters may conduct these transactions on Nasdaq, in the over-the-counter market or otherwise.

None of we, the Selling Shareholders or any of the underwriters make any representation or prediction as to the direction or magnitude of any effect that the transactions described above may have on the price of our shares of common stock. In addition, none of we, the Selling Shareholders or any of the underwriters make any representation that the underwriters will engage in these transactions or that these transactions, once commenced, will not be discontinued without notice.

Passive Market Making

In connection with this offering, the underwriters and selling group members may engage in passive market making transactions in our common stock on Nasdaq in accordance with Rule 103 of Regulation M under the Exchange Act during a period before the commencement of offers or sales of common stock and extending through the completion of the distribution of this offering. A passive market maker must display its bid at a price not in excess of the highest independent bid of that security. However, if all independent bids are lowered below the passive market maker's bid, that bid must then be lowered when specified purchase limits are exceeded. Passive market making may cause the price of our common stock to be higher than the price that otherwise would exist in the open market in the absence of those transactions. The underwriters and dealers are not required to engage in passive market making and may end passive market-making activities at any time.

Electronic Distribution

In connection with this offering, certain of the underwriters or securities dealers may distribute offering circulars by electronic means, such as e-mail. In addition, the underwriters may facilitate Internet distribution for this offering to certain of their Internet subscription customers. The underwriters may allocate a limited number of our shares of common stock for sale to their online brokerage customers. An electronic offering circular may be available on the websites maintained by the underwriters. Other than the offering circular set forth in electronic format, the information on the underwriters' websites is not part of this offering circular.

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price, up to 10% of the shares of common stock offered by this offering circular for sale to our directors, officers, shareholders, employees, business associates, and related persons under a directed share program. The directed share program will be administered by Raymond James or its affiliates. Reserved shares purchased by our directors and executive officers will be subject to the lock-up provisions described above. The number of shares of our common stock available for sale to the general public will be reduced to the extent these persons purchase the reserved shares. Any reserved shares of our common stock that are not so purchased will be offered by the underwriters to the general public on the same terms as the other shares of common stock offered by this offering circular.

Other Relationships

In addition, in the ordinary course of their business activities, the underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. The underwriters and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Other Matters

Other than in the United States, no action has been taken by us or the underwriters that would permit a public offering of the shares of common stock offered by this offering circular in any jurisdiction where action for that purpose is required. The shares of common stock offered by this offering circular may not be offered or sold, directly or indirectly, nor may this offering circular or any other offering material or advertisements in connection with the offer and sale of any such shares of common stock be distributed or published in any jurisdiction, except under circumstances that will result in compliance with the applicable rules and regulations of that jurisdiction. We and the underwriters require that the persons into whose possession this offering circular comes inform themselves about and to observe any restrictions relating to the offering and the distribution of this offering circular. This offering circular does not constitute an offer to sell or a solicitation of an offer to buy any shares of common stock offered by this offering circular in any jurisdiction in which such an offer or a solicitation is unlawful.

LEGAL MATTERS

The validity of the shares of common stock being offered by this offering circular will be passed upon for us by Sheppard, Mullin, Richter & Hampton LLP, San Francisco, California. Certain legal matters will be passed upon for the underwriters by Holland & Knight LLP, Washington, D.C.

EXPERTS

The consolidated financial statements of River City Bank and subsidiaries as of December 31, 2025 and 2024 and for each of the years in the two-year period ended December 31, 2025 included in this offering circular and elsewhere in the registration statement have been so included in reliance upon the report of Crowe LLP, independent registered public accounting firm, upon the authority of said firm as experts in accounting and auditing.

WHERE YOU CAN FIND MORE INFORMATION

We have filed a registration statement with the FDIC to register our common stock under Section 12(b) of the Exchange Act. Upon effectiveness of our registration statement, we will be subject to the reporting and other requirements of the FDIC, which are substantially similar to the reporting requirements of the Exchange Act. In accordance with Sections 12, 13 and 14 of the Exchange Act and as a bank that is not a member of the Federal Reserve System, we will file certain reports, proxy materials, information statements and other information with the FDIC, copies of which can be inspected and copied at the public reference facilities maintained by the FDIC, at the Public Reference Section, Room F-6043, 550 17th Street, N.W., Washington, DC 20429. Requests for copies may be made by telephone at (202) 898-8913 or by fax at (202) 898-3909. Certain financial information filed by us with the FDIC is also available electronically at the FDIC's website at https://efr.fdic.gov/fcxweb/efr/index.html, which after the offering will include the Exchange Act and certain other filings we make with the FDIC. Following the offering, we will become subject to the informational and reporting requirements of the Exchange Act and, in accordance with those requirements, will file reports and proxy and information statements and other information with the SEC. You will be able to inspect and copy these reports and proxy and information statements and other information at the addresses set forth above. We intend to furnish to our shareholders our annual reports containing our audited consolidated financial statements certified by an independent public accounting firm.

We also maintain an "Investor Relations" page on our website at www.rivercitybank.com with additional information about us, which information after the offering will include the Exchange Act filings and certain other filings we make with the FDIC. None of the information about us maintained on the FDIC's website or our website is incorporated into this offering circular by reference.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

RIVER CITY BANK

INTERIM CONSOLIDATED BALANCE SHEETS
(dollars in thousands, except share amounts)

	(Unaudited) June 30, 2026	December 31, 2025
Assets		
Cash and due from financial institutions	$ 353,369	$ 477,471
Investment securities:		
Debt securities, available-for-sale, at fair value (amortized cost of $994,903 and $678,421, net of allowance for credits losses of $0 and $0 as of June 30, 2026 and December 31, 2025)	987,044	675,398
Equity securities	16,494	15,135
Loans	4,678,130	4,628,103
Net deferred loan fees & hedged loan mark-to-market	(69,389)	(48,449)
Allowance for credit losses—loans	(107,826)	(103,799)
Net loans	4,500,915	4,475,855
Accrued interest receivable	22,815	23,208
Premises and equipment, net	10,712	10,717
Derivatives	84,278	59,282
Deferred tax assets, net	28,791	26,966
Other assets	38,096	37,858
Total assets	$6,042,514	$5,801,890
Liabilities and Shareholders' Equity		
Deposits:		
Noninterest-bearing demand deposits	$ 825,271	$ 932,804
Interest-bearing deposits		
Interest-bearing transaction accounts	2,428,866	2,185,987
Money market accounts	1,416,955	1,177,273
Savings deposits	84,606	89,915
Time deposits	618,972	762,350
Total interest-bearing deposits	4,549,399	4,215,525
Total deposits	5,374,670	5,148,329
Accrued interest payable	2,952	5,152
Other borrowings	—	25,000
Cash collateral held related to derivatives	81,970	59,090
Other liabilities	15,041	15,828
Total liabilities	5,474,633	5,253,399
Commitments and contingencies—Note 8		
Shareholders' equity:		
Preferred Stock—40,000,000 shares authorized, no par value; none issued and outstanding	—	—
Common Stock—80,000,000 shares authorized, no par value; 13,994,875 shares issued and outstanding as of June 30, 2026 and 14,272,790 shares issued and outstanding as of December 31, 2025	15,874	28,340
Accumulated other comprehensive income, net	2,374	6,630
Retained earnings	549,633	513,521
Total shareholders' equity	567,881	548,491
Total liabilities and shareholders' equity	$6,042,514	$5,801,890

See accompanying notes to unaudited interim consolidated financial statements.

RIVER CITY BANK

INTERIM (UNAUDITED) CONSOLIDATED STATEMENTS OF INCOME
(dollars in thousands except for per share amounts)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Interest income:		
Loans, including fees	$ 119,424	$ 115,825
Taxable securities	15,106	14,157
Tax exempt securities	45	58
Federal funds sold and other	10,931	6,508
Total interest income	145,506	136,548
Interest expense:		
Deposits	74,519	68,490
Other borrowings	3	57
Other interest expense	432	1,276
Total interest expense	74,954	69,823
Net interest income	70,552	66,725
Provision for (reversal of) credit losses—loans	3,990	(744)
(Reversal of) provision for credit losses—unfunded commitments	(960)	620
Total provision for (reversal of) credit losses	3,030	(124)
Net interest income after provision for credit losses	67,522	66,849
Noninterest income:		
Service charges on deposit accounts	417	388
Check card revenue	321	354
Net payments received on undesignated derivatives	1,844	2,693
Net change in the fair value of derivatives	4,907	(10,445)
Real estate lease income	323	131
Federal Home Loan Bank of San Francisco (“FHLB”) dividends	947	654
Loss on investment securities, net	(483)	(91)
Other noninterest income	492	397
Total noninterest income	8,768	(5,919)
Noninterest expense:		
Salaries and employee benefits	15,904	14,671
Occupancy and equipment expenses	1,234	1,226
Data processing	1,904	1,794
Federal deposit insurance	1,395	1,250
Other noninterest expense	3,944	2,981
Total noninterest expense	24,381	21,922
Income before provision for income taxes	51,909	39,008
Provision for income taxes	14,347	11,291
Net income	$ 37,562	$ 27,717
Earnings per common share	$ 2.60	$ 1.89
Weighted-average common shares outstanding	14,428,929	14,657,374

See accompanying notes to unaudited interim consolidated financial statements.

RIVER CITY BANK

INTERIM (UNAUDITED) CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in thousands)

	Six Months Ended	
	June 30, 2026	**June 30, 2025**
Net income	$37,562	$27,717
Other comprehensive income:		
Unrealized holding (loss) gain on debt securities available for sale arising during the period	(4,842)	3,872
Reclassification adjustment for losses on debt securities available for sale included in net income	6	6
Tax effect	1,451	(1,163)
Net of tax	(3,385)	2,715
Reclassification adjustment for losses on previous cash flow hedges included in net income	(1,244)	(1,244)
Tax effect	373	373
Net of tax	(871)	(871)
Total other comprehensive (loss) income	(4,256)	1,844
Comprehensive income	$33,306	$29,561

See accompanying notes to unaudited interim consolidated financial statements.

RIVER CITY BANK

INTERIM (UNAUDITED) CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY

(dollars in thousands except for per share amounts)

	Common Stock		Accumulated Other Comprehensive Income, net	Retained Earnings	Total
	Shares	Amount			
Balance as of January 1, 2025	14,403,700	$ 33,280	$ 3,886	$447,574	$484,740
Net income	—	—	—	27,717	27,717
Other comprehensive income	—	—	1,844	—	1,844
Stock compensation	—	1,243	—	—	1,243
Restricted shares vested, net	48,060	—	—	—	—
Repurchase of common stock	(129,720)	(4,351)	—	—	(4,351)
Cash dividends on common stock ($0.08 per share)	—	—	—	(1,175)	(1,175)
Balance as of June 30, 2025	14,322,040	$ 30,172	$ 5,730	$474,116	$510,018
Balance as of January 1, 2026	14,272,790	$ 28,340	$ 6,630	$513,521	$548,491
Net income	—	—	—	37,562	37,562
Other comprehensive (loss)	—	—	(4,256)	—	(4,256)
Stock compensation	—	1,011	—	—	1,011
Restricted shares vested, net	50,591	—	—	—	—
Repurchase of common stock	(328,506)	(13,477)	—	—	(13,477)
Cash dividends on common stock ($0.10 per share)	—	—	—	(1,450)	(1,450)
Balance as of June 30, 2026	13,994,875	$ 15,874	$ 2,374	$549,633	$567,881

See accompanying notes to unaudited interim consolidated financial statements.

RIVER CITY BANK

INTERIM (UNAUDITED) CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Six Months Ended	
	June 30, 2026	June 30, 2025
Operating activities		
Net income	$ 37,562	$ 27,717
Adjustments to reconcile net income to net cash from operating activities:		
Depreciation and amortization, net	(3,354)	(2,114)
Provision for (reversal of) credit losses	3,030	(124)
Increase in net deferred loan fees and costs	(247)	(348)
Deferred income taxes	—	121
Net loss on investment securities	483	91
Change in fair value adjustment on hedged loans	21,187	(49,152)
Change in the fair value adjustment on fair value hedges	(20,089)	49,778
Net (gain) loss of derivatives	(4,907)	10,445
Decrease in accrued interest receivable	393	884
Decrease in other assets	(238)	(88)
Stock compensation expense	1,011	1,243
(Increase) decrease in accrued interest payable	(2,200)	1,085
Increase (decrease) in other liabilities	173	(7,543)
Net cash provided by operating activities	32,804	31,995
Investing activities		
Available-for-sale debt securities:		
Maturities, prepayments and calls	311,463	249,089
Purchases	(625,376)	(249,246)
Equity securities, net activity	(1,844)	(1,527)
Loan originations and payments, net	(49,990)	(76,970)
Purchases of premises and equipment	(453)	(180)
Net cash used in investing activities	(366,200)	(78,834)
Financing activities		
Net increase in demand deposits, money market accounts, interest-bearing transaction accounts and savings deposits	369,719	39,982
Net (decrease) increase in time deposits	(143,378)	26,621
Net (decrease) increase in other borrowings	(25,000)	150,000
Net increase (decrease) of cash collateral related to derivatives	22,880	(56,920)
Repurchase of common stock	(13,477)	(4,351)
Cash dividends—common	(1,450)	(1,175)
Net cash provided by financing activities	209,294	154,157
Net (decrease) increase in cash and cash equivalents	(124,102)	107,318
Cash and cash equivalents at beginning of period	477,471	148,666
Cash and cash equivalents at end of period	$ 353,369	$ 255,984
Supplemental disclosure of cash flow information		
Cash paid during the period:		
Interest	$ 77,154	$ 68,614
Income taxes	15,437	14,993

See accompanying notes to unaudited interim consolidated financial statements.

NOTES TO UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS—(UNAUDITED)

Note 1—Summary of Significant Accounting Policies

The accounting and reporting policies of River City Bank ("the Bank") and its wholly owned subsidiaries River City Property Corporation ("RCPC") and River City Money Management Company ("RCMMC") conform with U.S. Generally Accepted Accounting Principles ("GAAP") and prevailing practices within the banking industry. RCMMC was dissolved in the second quarter of 2026, as it was inactive and no longer necessary. The unaudited consolidated financial statements in this report have not been audited by an independent registered public accounting firm, but in the opinion of management, all adjustments necessary to present fairly the financial position and the results of operations for the interim periods have been made. The unaudited consolidated financial statements include the accounts of the Bank and its wholly owned subsidiaries for all periods presented. All significant inter-company balances and transactions have been eliminated in consolidation. In preparing the unaudited interim consolidated financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities as of the date of the balance sheets and revenues and expenses for the periods presented.

The results of operations for the six months ended June 30, 2026 are not necessarily indicative of results to be attained for the full year or any other interim period. The unaudited interim consolidated financial statements have been prepared in accordance with GAAP. As these are unaudited and interim, the financial statements do not include all the information and footnotes required by GAAP for complete financial statements and should be read in conjunction with the Bank's audited consolidated financial statements as of and for the year ended December 31, 2025, and notes thereto. Certain prior period amounts have been reclassified to conform to the current period presentation. Such reclassifications had no impact on our net income or shareholders' equity. Management has evaluated subsequent events for recognition and disclosure through July 23, 2026.

Recently Adopted Accounting Pronouncements

None in the current period.

Recent Accounting Pronouncements, Not Yet Adopted

ASU 2023-06 Disclosure Improvements

In October 2023, the FASB issued guidance within *ASU No. 2023-06*, "Disclosure Improvements." This pronouncement amends the ASC to reflect updates and simplifications to certain disclosure requirements referred to the FASB by the SEC in 2018, including disclosures for the statement of cash flows, earnings per share, commitments, debt and equity instruments, and certain industry information, among other things. Each amendment is effective when the related disclosure is effectively removed from Regulations S-*X* or S-K; early adoption is prohibited. All amendments should be applied prospectively. If the SEC has not removed the applicable requirement from Regulation S-*X* or Regulation S-K by June 30, 2027, the pending amendments will be removed and will not become effective for any entity. Management is currently evaluating the impact of this guidance and does not expect adoption to have a material impact on the Bank's financial statements.

ASU 2025-09 Improvements to Hedge Accounting

In November 2025, the FASB issued guidance within *ASU 2025-09,* "*Derivatives and Hedging (Topic 815): Hedge Accounting Improvements.*" ASU 2025-09 amends ASC 815 to align hedge accounting more closely with an entity's economic risk management practices. Key amendments include expanding the ability to group forecasted transactions with similar (rather than identical) risk exposure, establishing a model for hedging interest payments on choose-your-rate debt, expanding hedge accounting for certain forecasted nonfinancial transactions, and updating guidance on net written options and foreign-currency-denominated debt. ASU 2025-09 will be effective for the Bank beginning after December 15, 2026, though early adoption is permitted. Management is

Note 1—Summary of Significant Accounting Policies (continued)

currently evaluating the impact of this guidance and does not expect adoption to have a material impact on the Bank's financial statements.

ASU 2025-11—Interim Reporting (Topic 270): Narrow-Scope Improvements

In December 2025, the FASB issued guidance within ASU 2025-11, "Interim Reporting (Topic 270): Narrow-Scope Improvements." ASU 2025-11 amends ASC 270 to clarify the scope, form, and content of interim financial reporting and to improve the navigability of required interim disclosures. Key amendments include establishing a comprehensive list of interim disclosure requirements within Topic 270, introducing a disclosure principle requiring entities to report material events and changes occurring since the most recent annual reporting period, and clarifying which entities and financial statements are subject to interim reporting guidance. ASU 2025-11 will be effective for the Bank for interim periods within fiscal years beginning after December 15, 2027, though early adoption is permitted. Management is currently evaluating the impact of this guidance and does not expect adoption to have a material impact on the Bank's financial statements.

Note 2—Investment Securities

The following table summarizes the amortized cost and fair value of the available-for-sale ("AFS") securities portfolio as of June 30, 2026 and December 31, 2025 and the corresponding amounts of gross unrealized gains and losses:

June 30, 2026	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(dollars in thousands)		
U.S. Treasury securities	$602,413	$483	$ (693)	$602,203
U.S. government sponsored entities and agency securities	135,067	—	(126)	134,941
Municipal securities	6,709	1	(91)	6,619
Mortgage-backed securities: residential	53,547	3	(5,978)	47,572
Mortgage-backed securities: commercial	92,351	16	(969)	91,398
Collateralized mortgage obligations	69,901	88	(693)	69,296
Corporate debt securities	29,187	96	(7)	29,276
Asset-backed securities	5,728	15	(4)	5,739
Total debt securities	$994,903	$702	$(8,561)	$987,044

December 31, 2025	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
		(dollars in thousands)		
U.S. Treasury securities	$339,024	$2,153	$ —	$341,177
U.S. government sponsored entities and agency securities	110,780	518	(1)	111,297
Municipal securities	4,939	1	(64)	4,876
Mortgage-backed securities: residential	58,115	7	(5,771)	52,351
Mortgage-backed securities: commercial	84,999	138	(229)	84,908
Collateralized mortgage obligations	36,604	121	(275)	36,450
Corporate debt securities	37,595	407	(31)	37,971
Asset-backed securities	6,365	10	(7)	6,368
Total debt securities	$678,421	$3,355	$(6,378)	$675,398

Note 2—Investment Securities (continued)

There were no sales or calls of debt securities for the six months ended June 30, 2026 and June 30, 2025.

The amortized cost and fair value of debt securities as of June 30, 2026, by contractual maturity are shown below. Expected maturities, primarily in the mortgage-backed securities, collateralized mortgage obligation securities and asset-backed securities will differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. The contractual maturities of the mortgage-backed securities, collateralized mortgage obligations and asset-backed securities range from 2026 through 2066.

June 30, 2026	Available-for-sale Amortized Cost	Available-for-sale Fair Value
	(dollars in thousands)	
Due in one year or less	$632,654	$632,136
Due after one year through five years	136,706	136,951
Due after five years through ten years	4,016	3,952
After ten years	—	—
	—	—
Mortgage-backed securities, collateralized mortgage obligations and asset-backed securities	221,527	214,005
	$994,903	$987,044

Securities carrying a value of $615.1 million and $416.3 million were pledged as collateral deposits for public funds as of June 30, 2026 and December 31, 2025, respectively. Collateral deposits pledged for other purposes were $3.0 million and $1.7 million as of June 30, 2026 and December 31, 2025 respectively. As of June 30, 2026 and December 31, 2025 there were no holdings of investment securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of shareholders' equity.

The following table summarizes debt securities available-for-sale in an unrealized loss position for which an allowance for credit losses has not been recorded as of June 30, 2026 and December 31, 2025, aggregated by major security type and length of time in a continuous unrealized loss position:

June 30, 2026	Less than Twelve Months		Twelve Months or More		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
	(dollars in thousands)					
U.S. Treasury securities	$ (693)	$397,214	$ —	$ —	$ (693)	$397,214
U.S. government sponsored entities and agency securities	(126)	134,941	—	—	(126)	134,941
Municipal securities	(10)	2,326	(81)	2,221	(91)	4,547
Mortgage-backed securities: residential	—	—	(5,978)	47,317	(5,978)	47,317
Mortgage-backed securities: commercial	(845)	87,147	(124)	1,696	(969)	88,843
Collateralized mortgage obligations	(472)	53,686	(221)	10,732	(693)	64,418
Corporate debt securities	(7)	4,958	—	—	(7)	4,958
Asset-backed securities	(1)	807	(3)	816	(4)	1,623
Total available for sale	$(2,154)	$681,079	$(6,407)	$62,782	$(8,561)	$743,861

Note 2—Investment Securities (continued)

December 31, 2025	Less than Twelve Months Unrealized Losses	Less than Twelve Months Fair Value	Twelve Months or More Unrealized Losses	Twelve Months or More Fair Value	Total Unrealized Losses	Total Fair Value
			(dollars in thousands)			
U.S. Treasury securities	$ —	$ —	$ —	$ —	$ —	$ —
U.S. government sponsored entities and agency securities	(1)	705	—	—	(1)	705
Municipal securities	—	—	(64)	2,230	(64)	2,230
Mortgage-backed securities: residential	—	—	(5,771)	52,063	(5,771)	52,063
Mortgage-backed securities: commercial	(92)	39,531	(137)	2,393	(229)	41,924
Collateralized mortgage obligations	—	—	(275)	11,365	(275)	11,365
Corporate debt securities	—	—	(31)	8,415	(31)	8,415
Asset-backed securities	(2)	1,534	(5)	1,028	(7)	2,562
Total available for sale	$(95)	$41,770	$(6,283)	$77,494	$(6,378)	$119,264

As of June 30, 2026 and December 31, 2025, no allowance for credit losses was deemed necessary for the Bank's AFS securities.

The Bank did not have any credit losses recognized in earnings for debt securities for the six months ended June 30, 2026 and June 30, 2025. The remaining amount of credit losses previously recognized into earnings for debt securities held as of June 30, 2026 and December 31, 2025 were $93,000 and $99,000, respectively.

Equity securities of $16.5 million and $15.1 million as of June 30, 2026 and December 31, 2025, respectively, include legacy VISA Class B stock, investments in Small Business Investment Company ("SBIC") funds and in a Small Business Administration loan fund. The equity securities are carried at cost less any impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment. Restrictions on the sale of equity securities held are not considered in the fair value measurement unless the restriction is a characteristic of the actual security. The fair market value for these securities are not readily determinable and alternatively, they are reviewed for impairment at least annually. The VISA Class B stock was carried at $0 as of June 30, 2026 and December 31, 2025. During the second quarter of 2026, the Bank exchanged its Visa Class B-1 shares for a combination of Visa Class B-2 shares and Visa Class C shares. The Visa Class C shares are convertible to Visa Class A shares upon certain time restrictions lapsing. As a result of the exchange and the first time restriction lapsing, the Bank recognized a gain of $251,000, which is included in noninterest income within the accompanying Interim Consolidated Statements of Income. The Bank disposed of the Visa Class A shares received through a combination of a $215,000 contribution to a charitable foundation and sale of $36,000 of Visa Class A shares in the second quarter of 2026.

The Bank is a limited partner and has committed to and is invested in a limited number of SBIC funds. The Bank held $8.4 million and $7.0 million of equity investments as of June 30, 2026 and December 31, 2025, respectively, included in "Equity securities" in the Interim Consolidated Balance Sheets. The Bank recognized a net loss from these investments of $736,000 and $91,000 for the six months ended June 30, 2026 and June 30, 2025, respectively. The Bank's gains and losses from these investments are included in "Noninterest income" in the Interim Consolidated Statements of Income. No individual investment is material to the Bank's interim consolidated financial statements.

Note 3—Loans and Allowance for Credit Losses

The composition of the Bank's loan portfolio is as follows:

	June 30, 2026	December 31, 2025
	(dollars in thousands)	
Commercial and industrial	$ 154,359	$ 183,207
Commercial real estate	4,212,660	4,134,971
Construction and land development	41,382	25,192
Residential real estate	191,763	193,217
Agricultural	59,115	73,262
Consumer	9,189	8,345
Total amortized cost	4,668,468	4,618,194
Less: Fair value adjustment on hedged loans	(59,727)	(38,540)
Allowance for credit losses	(107,826)	(103,799)
Total loans, net	$4,500,915	$4,475,855

The above table is presented as the amortized cost basis, which includes net deferred loan fees across all loan classes of $9.7 million and $9.9 million as of June 30, 2026 and December 31, 2025, respectively.

For the six months ended June 30, 2026 and June 30, 2025, activity in the allowance for credit losses by portfolio segment is as follows:

	Commercial and industrial	Commercial real estate	Construction and land development	Residential real estate	Agricultural	Consumer	Unallocated	Total
	(dollars in thousands)							
Six months ended June 30, 2026								
Beginning balance	$7,241	$89,787	$2,660	$2,537	$1,414	$ 160	$ —	$103,799
Provision for credit losses	(464)	3,756	963	(17)	(212)	(36)	—	3,990
Recoveries	—	—	—	—	—	37	—	37
Total ending balance	$6,777	$93,543	$3,623	$2,520	$1,202	$ 161	$ —	$107,826
Six months ended June 30, 2025								
Beginning balance	$5,816	$91,808	$1,171	$2,659	$ 536	$ 173	$ —	$102,163
Provision for credit losses	407	(1,778)	450	(58)	465	(381)	151	(744)
Loans charged-off	(40)	—	—	—	—	—	—	(40)
Recoveries	34	—	—	—	—	2	—	36
Total ending balance	$6,217	$90,030	$1,621	$2,601	$1,001	$(206)	$151	$101,415

The allowance for credit losses for unfunded commitments of $1.6 million and $2.6 million is included in other liabilities on the Interim Consolidated Balance Sheets as of June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026 and December 31, 2025, there were no loans that were deemed to be collateral-dependent.

Note 3—Loans and Allowance for Credit Losses (continued)

The following table presents the aging of the amortized cost basis in past due loans and nonaccrual loans as of June 30, 2026 by class of loans:

June 30, 2026	Past Due 30–59 Days	Past Due 60–89 Days	Past Due Greater than 89 Days	Past Due Total Past Due	Nonaccrual	Current	Total Loans
				(dollars in thousands)			
Commercial and industrial	$ —	$ —	$ —	$ —	$ —	$ 154,359	$ 154,359
Commercial real estate	1,164	—	—	1,164	—	4,211,496	4,212,660
Construction and land development	—	—	—	—	—	41,382	41,382
Residential real estate	—	—	—	—	—	191,763	191,763
Agricultural	—	—	—	—	—	59,115	59,115
Consumer	61	—	—	61	—	9,128	9,189
Total amortized cost	$1,225	$ —	$ —	$1,225	$ —	$4,667,243	$4,668,468

The following table presents the aging of the amortized cost basis in past due loans and nonaccrual loans as of December 31, 2025 by class of loans:

December 31, 2025	Past Due 30–59 Days	Past Due 60–89 Days	Past Due Greater than 89 Days	Past Due Total Past Due	Nonaccrual	Current	Total Loans
				(dollars in thousands)			
Commercial and industrial	$ —	$ —	$ —	$ —	$ —	$ 183,207	$ 183,207
Commercial real estate	—	—	—	—	—	4,134,971	4,134,971
Construction and land development	—	—	—	—	—	25,192	25,192
Residential real estate	733	—	—	733	—	192,484	193,217
Agricultural	—	—	—	—	—	73,262	73,262
Consumer	45	—	—	45	—	8,300	8,345
Total amortized cost	$778	$ —	$ —	$778	$ —	$4,617,416	$4,618,194

Note 3—Loans and Allowance for Credit Losses (continued)

Credit Quality Indicators:

Based on the most recent analysis performed, the risk category of loans by class of loans is as follows. Term loans presented as the amortized cost basis by origination year:

	Amortized Cost Basis by Origination Year						Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
June 30, 2026	**2026**	**2025**	**2024**	**2023**	**2022**	**Prior**			
					(dollars in thousands)				
Commercial and industrial:									
Pass	$ 1,099	$ 22,485	$ 14,886	$ 5,556	$ 1,710	$ 32,009	$ 60,757	$ —	$ 138,502
Special mention	—	1	—	4,522	2,461	—	(8)	—	6,976
Substandard	—		—	—	—	7,879	1,002	—	8,881
Total	$ 1,099	$ 22,486	$ 14,886	$ 10,078	$ 4,171	$ 39,888	$ 61,751	$ —	$ 154,359
Commercial real estate:									
Pass	$234,071	$611,536	$673,088	$567,113	$700,372	$1,334,168	$ 12,856	$ —	$4,133,204
Special mention	—	—	—	2,834	—	44,204	—	—	47,038
Substandard	—	4,652	—	—	—	27,766	—	—	32,418
Total	$234,071	$616,188	$673,088	$569,947	$700,372	$1,406,138	$ 12,856	$ —	$4,212,660
Construction and land development:									
Pass	$ —	$ —	$ 41,382	$ —	$ —	$ —	$ —	$ —	$ 41,382
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ —	$ —	$ 41,382	$ —	$ —	$ —	$ —	$ —	$ 41,382
Residential real estate:									
Pass	$ 5,901	$ 8,923	$ 16,144	$ 14,380	$ 20,741	$ 125,674	$ —	$ —	$ 191,763
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 5,901	$ 8,923	$ 16,144	$ 14,380	$ 20,741	$ 125,674	$ —	$ —	$ 191,763
Agricultural:									
Pass	$ 4,794	$ 20,280	$ 750	$ —	$ —	$ 9,061	$ 24,230	$ —	$ 59,115
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 4,794	$ 20,280	$ 750	$ —	$ —	$ 9,061	$ 24,230	$ —	$ 59,115
Consumer:									
Pass	$ 657	$ 340	$ 321	$ 672	$ 709	$ 1,719	$ 4,771	$ —	$ 9,189
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 657	$ 340	$ 321	$ 672	$ 709	$ 1,719	$ 4,771	$ —	$ 9,189
Total by Risk Rating									
Pass	$246,522	$663,564	$746,571	$587,721	$723,532	$1,502,631	$102,614	$ —	$4,573,155
Special mention	—	1	—	7,356	2,461	44,204	(8)	—	54,014
Substandard	—	4,652	—	—	—	35,645	1,002	—	41,299
Total amortized cost	$246,522	$668,217	$746,571	$595,077	$725,993	$1,582,480	$103,608	$ —	$4,668,468

Note 3—Loans and Allowance for Credit Losses (continued)

December 31, 2025	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
	Amortized Cost Basis by Origination Year								
	(dollars in thousands)								
Commercial and industrial:									
Pass	$ 23,298	$ 19,642	$ 6,699	$ 2,420	$ 3,630	$ 52,958	$ 58,599	$ —	$ 167,246
Special mention	—	—	4,838	2,388	—	—	825	—	8,051
Substandard	—	—	—	—	7,910	—	—	—	7,910
Total	$ 23,298	$ 19,642	$ 11,537	$ 4,808	$ 11,540	$ 52,958	$ 59,424	$ —	$ 183,207
Commercial real estate:									
Pass	$621,450	$705,163	$575,668	$709,510	$475,693	$ 944,684	$ 14,767	$ —	$4,046,935
Special mention	—	—	—	—	—	40,697	—	—	40,697
Substandard	—	—	—	—	1,402	45,937	—	—	47,339
Total	$621,450	$705,163	$575,668	$709,510	$477,095	$1,031,318	$ 14,767	$ —	$4,134,971
Construction and land development:									
Pass	$ —	$ 16,265	$ —	$ —	$ —	$ —	$ —	$ —	$ 16,265
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	8,927	—	—	—	—	8,927
Total	$ —	$ 16,265	$ —	$ 8,927	$ —	$ —	$ —	$ —	$ 25,192
Residential real estate:									
Pass	$ 9,307	$ 17,282	$ 14,907	$ 21,042	$ 57,204	$ 73,475	$ —	$ —	$ 193,217
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 9,307	$ 17,282	$ 14,907	$ 21,042	$ 57,204	$ 73,475	$ —	$ —	$ 193,217
Agricultural:									
Pass	$ 19,221	$ 238	$ —	$ —	$ 493	$ 12,352	$ 39,058	$1,900	$ 73,262
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 19,221	$ 238	$ —	$ —	$ 493	$ 12,352	$ 39,058	$1,900	$ 73,262
Consumer:									
Pass	$ 535	$ 342	$ 702	$ 723	$ 448	$ 1,603	$ 3,992	$ —	$ 8,345
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
Total	$ 535	$ 342	$ 702	$ 723	$ 448	$ 1,603	$ 3,992	$ —	$ 8,345
Total by Risk Rating									
Pass	$673,811	$758,932	$597,976	$733,695	$537,468	$1,085,072	$116,416	$1,900	$4,505,270
Special mention	—	—	4,838	2,388	—	40,697	825	—	48,748
Substandard	—	—	—	8,927	9,312	45,937	—	—	64,176
Total amortized cost	$673,811	$758,932	$602,814	$745,010	$546,780	$1,171,706	$117,241	$1,900	$4,618,194

The Bank recorded $0 and $40,000 charge-offs for the six months ended June 30, 2026 and June 30, 2025, respectively. The $40,000 charge-off in 2025 was related to a loan originated in 2005.

Note 3—Loans and Allowance for Credit Losses (continued)

There were no loans that were experiencing financial difficulty as of June 30, 2026 and December 31, 2025 and no loans were modified during the six months ended June 30, 2026 and June 30, 2025.

Accrued interest receivable on loans held for investment was $17.1 million and $17.5 million as of June 30, 2026 and December 31, 2025, respectively.

Note 4—Time Deposits

As of June 30, 2026 and December 31, 2025, time deposits that exceed the FDIC insurance limit of $250,000 totaled $586.1 million and $726.3 million, respectively. Of these balances $473.1 million and $526.2 million were FDIC insured through a reciprocal deposit network in June 30, 2026 and December 31, 2025, respectively.

As of June 30, 2026, the aggregate scheduled maturities for time deposits were as follows:

	(dollars in thousands)
Time Deposits Maturities Periods:	
2026	$431,390
2027	144,579
2028	42,530
2029	168
2030	42
Thereafter	263
Total	$618,972

Note 5—Other Borrowings

As of June 30, 2026 and December 31, 2025, other borrowings were comprised of the following:

	As of	
	June 30, 2026	December 31, 2025
	(dollars in thousands)	
Federal Reserve Bank—Discount Window—Maturity in January 2026, fixed rate of 3.75%	$ —	$25,000
Total	$ —	$25,000

The Bank maintains a collateralized line of credit with the FHLB. Based on the FHLB requirements as of June 30, 2026, this line provided for maximum borrowings of $1.6 billion of which there were no outstanding advances and $700.0 million was utilized for letters of credit, which are used as collateral for public fund deposits. As of December 31, 2025, this line provided for maximum borrowings of $1.5 billion of which there were no outstanding advances and $825.0 million was utilized for letters of credit, which are used as collateral for public fund deposits. The Bank has pledged certain loans of approximately $2.2 billion under a blanket lien arrangement to collateralize the line of credit with the FHLB as of June 30, 2026 and December 31, 2025.

The Bank maintains a collateralized line of credit with the Federal Reserve Bank of San Francisco (“FRB”) Discount Window secured by certain pledged loans. As of June 30, 2026 and December 31, 2025, this line provided for maximum borrowings of $1.3 billion and $1.2 billion, respectively, of

Note 5—Other Borrowings (continued)

which $0 and $25.0 million were outstanding. The Bank has pledged certain loans of approximately $1.8 billion and $1.8 billion to the FRB as of June 30, 2026 and December 31, 2025, respectively.

The Bank received FHLB cash dividends of $947,000 and $654,000 in the six months ended June 30, 2026 and June 30, 2025, respectively.

Note 6—Income Taxes

The Bank recorded an income tax provision of $14.3 million and $11.3 million, reflecting an effective tax rate of 27.6% and 28.9% for the six months ended June 30, 2026 and June 30, 2025, respectively.

Note 7—Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Bank used the following methods and significant assumptions to estimate fair value:

<u>Investment securities, available for sale</u>

The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, included certain collateralized mortgage and debt obligations, agency preferred stock and certain high-yield debt securities. For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). The fair values of level 3 investment securities are determined by the Bank's Accounting department, which reports to the Chief Financial Officer. Assumptions such as cash flows, loss severities, volatility, credit spread and optionality are reviewed as necessary. During times when trading is more liquid, broker quotes are used (if available) to validate the model. The Bank's evaluations are based on market data and the Bank employs combinations of these approaches for its valuation methods depending on the asset class.

<u>Derivatives</u>

The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). The derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. The majority of market

Note 7—Fair Value Measurements (continued)

inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services.

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and no liabilities measured at fair value on a recurring basis are summarized below:

June 30, 2026	Carrying Value	Fair Value Measurements Using: Level 1	Level 2	Level 3
	(dollars in thousands)			
Assets measured at fair value:				
Investment securities, available-for-sale				
U.S. treasury securities	$602,203	$ —	$602,203	$ —
U.S government sponsored entities and agency securities	134,941	—	134,941	—
Municipal securities	6,619	—	6,619	—
Mortgage-backed securities—residential	47,572	—	47,572	—
Mortgage-backed securities—commercial	91,398	—	91,398	—
Collateralized mortgage obligations	69,296	—	69,296	—
Corporate debt securities	29,276	—	29,276	—
Asset-based securities	5,739	—	5,739	—
Total debt securities, AFS	$987,044	$ —	$987,044	$ —
Derivatives—interest rate swaps	$ 84,278	$ —	$ 84,278	$ —

December 31, 2025	Carrying Value	Level 1	Level 2	Level 3
	(dollars in thousands)			
Assets measured at fair value:				
Investment securities, available-for-sale				
U.S. treasury securities	$341,177	$ —	$341,177	$ —
U.S government sponsored entities and agency securities	111,297	—	111,297	—
Municipal securities	4,876	—	4,876	—
Mortgage-backed securities—residential	52,351	—	52,351	—
Mortgage-backed securities—commercial	84,908	—	84,908	—
Collateralized mortgage obligations	36,450	—	36,450	—
Corporate debt securities	37,971	—	37,971	—
Asset-based securities	6,368	—	6,368	—
Total debt securities, AFS	$675,398	$ —	$675,398	$ —
Derivatives—interest rate swaps	$ 59,282	$ —	$ 59,282	$ —

There were no transfers between Level 1 and Level 2 during the six months ended June 30, 2026 and June 30, 2025.

Assets Measured at Fair Value on a Non-Recurring Basis

There were no assets measured at fair value on a non-recurring basis as of June 30, 2026 or December 31, 2025.

Note 7—Fair Value Measurements (continued)

Fair Value of Financial Instruments

The carrying amounts and estimated fair values of financial instruments not carried at fair value, as of June 30, 2026 and December 31, 2025 were as follows:

	Fair Value Measurements as of June 30, 2026				
	Carrying Amount	Level 1	Level 2	Level 3	Total
	(dollars in thousands)				
Financial Assets:					
Cash and due from banks	$ 353,369	$353,369	$ —	$ —	$ 353,369
Loans, net	4,500,915	—	—	4,432,330	4,432,330
Accrued interest receivable	22,815	103	5,563	17,149	22,815
Financial Liabilities:					
Noninterest-bearing demand deposits, money market accounts, NOW accounts and savings accounts	$4,755,698	$ —	$4,755,698	$ —	$4,755,698
Time deposits	618,972	—	618,850	—	618,850
Accrued interest payable	2,952	—	2,952	—	2,952
Cash collateral held related to derivatives	81,970	81,970	—	—	81,970

	Fair Value Measurements as of December 31, 2025				
	Carrying Amount	Level 1	Level 2	Level 3	Total
	(dollars in thousands)				
Financial Assets:					
Cash and due from banks	$ 477,471	$477,471	$ —	$ —	$ 477,471
Loans, net	4,475,855	—	—	4,337,949	4,337,949
Accrued interest receivable	23,208	269	5,405	17,534	23,208
Financial Liabilities:					
Noninterest-bearing demand deposits, money market accounts, NOW accounts and savings accounts	$4,385,980	$ —	$4,385,980	$ —	$4,385,980
Time deposits	762,350	—	762,370	—	762,370
Other borrowings	25,000	—	25,000	—	25,000
Accrued interest payable	5,152	—	5,152	—	5,152
Cash collateral held related to derivatives	59,090	59,090	—	—	59,090

Note 8—Commitments and Contingencies

Off-Balance-Sheet Financial Instruments

In the ordinary course of business, the Bank enters certain transactions, which involve financial instruments with off-balance-sheet risk. These instruments include commitments to extend credit

Note 8—Commitments and Contingencies (continued)

and standby letters of credit and are not reflected in the accompanying Interim Consolidated Balance Sheets. These transactions may involve, to varying degrees, credit and interest rate risk in excess of the amount, if any, recognized in the Interim Consolidated Balance Sheets. The Bank's off-balance-sheet credit risk exposure is the contractual amount of commitments to extend credit and standby letters of credit. As of June 30, 2026, commitments to extend credit totaled $479.1 million and standby letters of credit totaled $30.9 million. As of December 31, 2025, commitments to extend credit totaled $474.8 million and standby letters of credit totaled $31.4 million. The Bank applies the same credit standards to these contracts as it uses in its lending process. The fair values associated with commitments to extend credit and standby letters of credit were not material as of June 30, 2026 and December 31, 2025.

Commitments to extend credit are agreements to lend to customers. These commitments have specified interest rates and generally have fixed expiration dates but may be terminated by the Bank if certain conditions of the contract are violated. Although currently subject to drawdown, many of these commitments are expected to expire or terminate without funding. Therefore, the total commitment amounts do not necessarily represent future cash requirements. Collateral held relating to these commitments varies. For secured loans, it generally includes real estate, accounts receivable and personal property.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Credit risk arises in these transactions from the possibility that a customer may not be able to repay the Bank upon default of performance. Collateral held for standby letters of credit is based on an individual evaluation of each customer's credit worthiness but may include real estate and cash.

Litigation

Loss contingencies, including claims and legal actions arising in the ordinary course of business are recorded as liabilities when the likelihood of a loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Note 9—Regulatory Matters

Capital Guidelines

The Bank is subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. Accumulated other comprehensive income is not included in computing regulatory capital. Management believes as of June 30, 2026 and December 31, 2025, the Bank met all capital adequacy requirements to which it is subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. As of June 30, 2026 and December 31, 2025, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution's category.

Note 9—Regulatory Matters (continued)

The Bank has a formal dividend policy, and dividends are issued solely at the discretion of the Bank's Board of Directors subject to compliance with regulatory requirements. There are certain regulatory limitations on the payment of cash dividends by banks as discussed above.

Presented below are the Bank's actual and required capital amounts and ratios as of June 30, 2026 and December 31, 2025.

	Actual		Amount of Capital Required: Minimum Required for Capital Adequacy Purposes		Amount of Capital Required: To Be Well-Capitalized Under Prompt Corrective Provisions	
As of June 30, 2026:	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
			(dollars in thousands)			
Total Capital (to risk-weighted assets)	619,844	14.44%	343,349	8.0%	429,186	10.0%
Tier I Capital (to risk-weighted assets)	565,507	13.18%	257,512	6.0%	343,349	8.0%
Common Tier 1 (CET1)	565,507	13.18%	193,134	4.5%	278,971	6.5%
Tier I Capital (to average assets)	565,507	9.22%	245,342	4.0%	306,677	5.0%

	Actual		Amount of Capital Required: Minimum Required for Capital Adequacy Purposes		Amount of Capital Required: To Be Well-Capitalized Under Prompt Corrective Provisions	
As of December 31, 2025:	**Amount**	**Ratio**	**Amount**	**Ratio**	**Amount**	**Ratio**
			(dollars in thousands)			
Total Capital (to risk-weighted assets)	$595,625	14.02%	$339,880	8.0%	$424,850	10.0%
Tier I Capital (to risk-weighted assets)	541,861	12.75%	254,910	6.0%	339,880	8.0%
Common Tier 1 (CET1)	541,861	12.75%	191,183	4.5%	276,153	6.5%
Tier I Capital (to average assets)	541,861	9.40%	230,590	4.0%	288,237	5.0%

Note 10—Stock Based Compensation

The Bank's stock-based compensation consists of restricted stock awards ("RSAs") granted under its historical stock-based incentive plan ("Historical Restricted Stock Plan") and equity incentive instruments that will be issued under the River City Bank 2026 Omnibus Equity Incentive Plan ("2026 Plan").

On February 18, 2026, the Board of Directors adopted the 2026 Plan which was approved by shareholders as of March 25, 2026. The 2026 Plan allows for up to 2,250,000 shares to be issued in connection with equity-based incentives. In conjunction with shareholder approval of the 2026 Plan, the Historical Restricted Stock Plan, which allowed for up to 2,000,000 shares to be issued in connection with equity-based incentives, is no longer available for grant issuances. While no new awards can be granted under the Historical Restricted Stock Plan, existing grants continue to be governed by the terms, conditions and procedures set forth in any applicable award agreement.

Stock Option Awards

The Bank had a Non-Qualified Stock Option Plan ("the Option Plan"), whereby officers or directors of the Bank could be awarded stock options, prior to the 2026 Plan. The Option Plan had

Note 10—Stock Based Compensation (continued)

been dormant for many years and was terminated with the adoption of the 2026 Plan. There were no options outstanding as of June 30, 2026 and December 31, 2025 for the Option Plan.

Restricted Stock Awards

The Bank has had the Historical Restricted Stock Plan to provide for the issuance of RSAs to selected key employees and directors. The RSAs awarded under this plan consisted of shares of the Bank's common stock. Owners of the stock awards have all of the rights of a shareholder including the right to vote the shares and to all dividends, cash or stock. Compensation expense is recognized over the vesting period of the awards based on the fair value of the stock at issue date. Fair value of the stock at issue date is determined using the most recent trading information. Shares issued prior to October 1, 2024 vest in 20% increments on each anniversary date and fully vest on the fifth anniversary of the grant date. Shares issued on or after October 1, 2024 vest in 33.3% increments on each anniversary date and fully vest on the third anniversary of the grant date. Commencing in 2023, awards to directors vest over one year. Certain employees and directors' awards accelerate their vesting at the point the recipient reaches retirement age of 65, as defined in the Historical Restricted Stock Plan. An aggregate of 2,250,000 shares of the Bank's common stock was authorized and available for awards as of the adoption of the 2026 Plan. Total shares issuable and authorized for awards were 2,248,840 as of June 30, 2026 and 538,830 as of December 31, 2025, respectively. During the six months ended June 30, 2026 and 2025, 54,755 and 70,530 shares were granted, respectively.

A summary of changes in the Bank's non-vested shares for the year follows:

Non-vested Shares	Shares	Weighted Average Grant Date Fair Vale
Non-vested as of January 1, 2026	230,450	$26.07
Granted	54,755	40.59
Vested	(75,546)	29.05
Forfeited	(4,830)	25.16
Non-vested as of June 30, 2026	204,829	$28.87

Total stock compensation cost related to the RSAs recorded in the Interim Consolidated Statements of Income was $1.0 million and $1.2 million for the six months ended June 30, 2026 and June 30, 2025, respectively. Total unrecognized compensation costs related to non-vested RSAs were $4.5 million as of both June 30, 2026 and December 31, 2025. As of June 30, 2026, the total unrecognized compensation cost was expected to be recognized over a weighted-average period of 2.1 years. The total fair value of shares vested during the six months ended June 30, 2026 and June 30, 2025 was $3.3 million and $2.0 million, respectively.

Restricted stock granted to employees may be net settled in a cashless exercise by a reduction in the number of shares otherwise deliverable upon vesting in satisfaction of the applicable tax withholding requirements. During the six months ended June 30, 2026, the Bank withheld 24,955 shares totaling $1.1 million for cashless exercises. During the six months ended June 30, 2025, the Bank withheld 14,650 shares totaling $476,000 for cashless exercises. Shares withheld under net settlement arrangements are available for future grants.

Note 11—Related Party Transactions

The Bank, in the ordinary course of business, has had loan and deposit transactions with certain directors, officers, principal shareholders and their related entities. As of June 30, 2026 and December 31, 2025, there were $569,000 and $585,000, respectively, in loans outstanding. There

Note 11—Related Party Transactions (continued)

were $250,000 of undisbursed commitments to directors, officers and their related entities as of June 30, 2026 and December 31, 2025. Deposits from certain directors, senior officers, principal shareholders and their related entities were $1.1 million and $1.1 million as of June 30, 2026 and December 31, 2025, respectively.

Note 12—Derivatives

The Bank utilizes interest rate derivative agreements as part of its asset liability management strategy to help manage its interest rate risk position. The notional amount of the derivative agreements does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap and interest rate cap agreements.

Interest Rate Swaps Designated as Fair Value Hedges: Interest rate swap agreements were commenced in order to hedge interest rate risk related to the loan portfolio. For each existing interest rate swap agreement, the Bank will pay a fixed rate and receive a variable rate tied to the Secured Overnight Financing Rate (“SOFR”). As of June 30, 2026 and December 31, 2025, summary information of the interest rate swaps designated as fair value hedges was as follows:

	June 30, 2026	December 31, 2025
	(dollars in thousands)	
Current notional amount:	$2,105,715	$2,106,387
Weighted average pay rates:	2.64%	2.59%
Weighted average receive rates:	3.69%	3.88%
Weighted average maturity:	3.9 years	4.3 years
Fair value of interest rate swaps:	$ 66,316	$ 46,227

The fair values of the interest rate swaps as of June 30, 2026 and December 31, 2025 are reflected on the Interim Consolidated Balance Sheets as “Derivatives”. As of June 30, 2026 and December 31, 2025, the fair value adjustment of the hedged item was $(59.7 million) and $(38.5 million), respectively, reflected in net loans. As of June 30, 2026 and December 31, 2025, the amortized cost basis of the closed portfolios used in these hedging relationships was $3.3 billion and $3.3 billion. As of June 30, 2026 and December 31, 2025, the amount that represents the hedged items or the designated portfolio layer, was $2.5 billion and $2.7 billion. As of June 30, 2026, the Bank expects the fair value hedges to remain effective during the remaining terms of the swaps.

The Bank has certain fair value hedges which were designated as fair value hedges with a non-zero interest rate swap value at the date of designation. These swaps were entered into as an economic hedge. There were no gains or losses recognized during the six months ended June 30, 2026 related to fair value hedges designated with a non-zero interest rate swap value. Any previously recognized gains or losses related to the designation of fair value hedges with non-zero interest rate swap value will be systematically reversed through the Interim Consolidated Statements of Income as a component of interest income over the remaining life of these swaps.

Note 12—Derivatives (continued)

The following table reflects the fair value hedges included in the Interim Consolidated Statements of Income for the six months ended June 30, 2026 and June 30, 2025:

Interest rate contracts	Location	Six Months Ended June 30, 2026	Six Months Ended June 30, 2025
		(dollars in thousands)	
Changes in fair value on interest rate swaps	Net interest income	$ 20,089	$(49,778)
Change in fair value of pool of loans- hedged items	Net interest income	$(21,187)	$ 49,152

<u>Interest Rate Swaps Not Designated as Hedges</u>: The Bank has entered into interest rate swap agreements in order to hedge interest rate risk related to the loan portfolio, but certain interest rate swaps did not qualify as hedges for accounting purposes at swap inception. Therefore, changes in fair value were reported in the Interim Consolidated Statements of Income, as a component of noninterest income; the Bank recognized gain of $4.9 million and a loss of $10.4 million for the six months ended June 30, 2026 and June 30, 2025, respectively. For these interest rate swap agreements, the Bank pays a fixed rate and receives a variable rate of SOFR.

As of June 30, 2026 and December 31, 2025, summary information of the interest rate swaps not designated as hedges is as follows:

	June 30, 2026	December 31, 2025
	(dollars in thousands)	
Current notional amount:	$417,500	$346,500
Weighted average pay rates:	2.82%	2.62%
Weighted average receive rates:	3.71%	3.90%
Weighted average maturity:	6.8 years	6.9 years
Fair value of interest rate swaps:	$ 17,962	$ 13,055

The fair value of the interest rate swaps not designated as hedges as of June 30, 2026 and December 31, 2025 is reflected on the Interim Consolidated Balance Sheets as “Derivatives” and the corresponding change to income recorded in noninterest income.

Prior to 2023, the Bank had designated certain interest rate swap agreements as cash flow hedges of certain index based public deposits. These swaps were determined to be effective at the date of designation. Therefore, the fair value of the swaps was recorded in other assets with changes in fair value recorded in other comprehensive income (loss).

As of December 31, 2022, the Bank expected the hedges to remain effective during the remaining terms of the swaps. However, during the first quarter of 2023, the relationship between the benchmark interest rate of the swaps and public deposit index was no longer deemed to be highly correlated. As such, the hedged relationship was determined to no longer be effective and these swaps were treated as undesignated hedges. Related to these swaps, as of June 30, 2026 and December 31, 2025, there were notional amounts of $150.0 million and there were balances of $7.9 million and $8.7 million, respectively, included in accumulated other comprehensive income. This amount will be recorded into earnings over the remaining life of the swaps, which has a weighted average maturity of 4.4 years.

Note 13—Earnings per Common Share (EPS)

For the six months ended June 30, 2026 and June 30, 2025, the following reconciles the numerator and denominator used in the calculation of the earnings per common share:

	Six Months Ended	
	June 30, 2026	June 30, 2025
	(dollars in thousands except per share data)	
EPS Calculation		
Net income available to common shareholders	$ 37,562	$ 27,717
Weighted average common stock outstanding	14,218,313	14,414,074
Add: Participating securities	210,616	243,300
Weighted average shares outstanding for EPS	14,428,929	14,657,374
EPS	$ 2.60	$ 1.89

The Bank had no dilutive securities outstanding as of June 30, 2026 and December 31, 2025; therefore, the Bank only shows earnings per common shares.

Note 14—Segment Information

The Bank's reportable segment is determined by the Chief Executive Officer, who is the designated chief operating decision maker (the "CODM"). The Chief Executive Officer along with others in the Bank's executive management evaluates performance and allocates resources based upon analysis of the Bank as one operating segment or unit. The activities of the Bank comprise one reportable segment, "Banking Operations." All of the Bank's activities are interrelated, and each activity is dependent and assessed based on the manner in which it supports the other activities of the Bank. All the consolidated assets are attributable to the Banking Operations segment.

The CODM is provided with the Bank's Interim Consolidated Balance Sheets and Interim Statements of Income and evaluates the Bank's operating results based on consolidated net interest income, noninterest income, noninterest expense, and net income, which can be seen on the Interim Consolidated Statements of Income. These results are used to measure the Bank against its competitors. Other significant non-cash items assessed by the CODM are depreciation, amortization and provision for credit losses consistent with the reporting on the Interim Consolidated Statements of Cash Flows. Expenditures for long-lived assets are also evaluated and are consistent with the reporting on the Interim Consolidated Statements of Cash Flows. Strategic plans and budget to actual monitoring are evaluated as one reportable segment. The actual results are used in assessing performance of the segment and in establishing compensation. All revenues are derived from banking operations within the United States, and for the six months ended June 30, 2026 and year ended December 31, 2025, there was no customer that accounted for more than 10% of the Bank's consolidated revenue.

Crowe LLP
Independent Member Crowe Global

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

Shareholders and the Board of Directors of River City Bank
Sacramento, California

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of River City Bank (the "Bank") as of December 31, 2025 and 2024, the related consolidated statements of operations, comprehensive income, changes in shareholders' equity, and cash flows for each of the two years in the period ended December 31, 2025, and the related notes (collectively referred to as the "financial statements"). In our opinion, the financial statements present fairly, in all material respects, the financial position of the Bank as of December 31, 2025 and 2024, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2025 in conformity with accounting principles generally accepted in the United States of America.

Basis for Opinion

These financial statements are the responsibility of the Bank's management. Our responsibility is to express an opinion on the Bank's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) ("PCAOB") and are required to be independent with respect to the Bank in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Bank is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits, we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Bank's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

Crowe LLP

Crowe LLP

We have served as the Bank's auditor since 2004.

Los Angeles, California
March 4, 2026

CONSOLIDATED BALANCE SHEETS
(dollars in thousands)

	As of December 31, 2025	As of December 31, 2024
Assets		
Cash and due from financial institutions	$ 477,471	$ 148,666
Debt securities, available-for-sale, at fair value	675,398	687,323
Equity securities	15,135	13,717
Loans, net of allowance of $103,799 and $102,163 as of December 31, 2025 and 2024, respectively	4,475,855	4,065,994
Accrued interest receivable	23,208	23,390
Premises and equipment, net	10,717	10,608
Derivatives	59,282	128,725
Deferred tax assets, net	26,966	26,568
Other assets	37,858	38,537
Total assets	$5,801,890	$5,143,528
Liabilities and Shareholders' Equity		
Deposits		
Noninterest-bearing demand deposits	$ 932,804	$ 834,970
Interest-bearing deposits		
Interest-bearing transaction accounts	2,185,987	1,731,010
Money market accounts	1,177,273	940,261
Savings deposits	89,915	99,742
Time deposits	762,350	848,546
Total interest-bearing deposits	4,215,525	3,619,559
Total deposits	5,148,329	4,454,529
Accrued interest payable	5,152	4,925
Other borrowings	25,000	50,000
Cash collateral held related to derivatives	59,090	130,050
Other liabilities	15,828	19,284
Total liabilities	$5,253,399	$4,658,788
Commitments and contingencies		
Shareholders' equity		
Preferred stock, par value of $0.01; 40,000,000 shares authorized; none issued and outstanding	—	—
Common stock, par value of $0.01; 40,000,000 shares authorized; 14,272,790 and 14,403,700 shares issued and outstanding at December 31, 2025 and 2024, respectively	28,340	33,280
Accumulated other comprehensive income, net	6,630	3,886
Retained earnings	513,521	447,574
Total shareholders' equity	548,491	484,740
Total liabilities and shareholders' equity	$5,801,890	$5,143,528

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF OPERATIONS
(dollars in thousands except for per share amounts)

	Years Ended December 31, 2025	Years Ended December 31, 2024
Interest income		
Loans, including fees	$ 239,652	$ 222,286
Taxable securities	27,809	31,941
Tax exempt securities	108	111
Federal funds sold and other	15,364	24,798
Total interest income	282,933	279,136
Interest expense		
Deposits	138,717	137,128
Other borrowings	62	684
Other interest expense	1,650	4,637
Total interest expense	140,429	142,449
Net interest income	142,504	136,687
Provision for credit losses—loans	1,640	6,109
Provision for credit losses—unfunded commitments	345	1,430
Total provision for credit losses	1,985	7,539
Net interest income after provision for credit losses	140,519	129,148
Noninterest income		
Service charges on deposit accounts	811	844
Check card revenue	694	704
Net payments received on free-standing derivatives	5,454	7,928
Net changes in the fair value of derivatives	(10,155)	1,321
Real estate lease income	273	263
FHLB dividends	1,312	1,314
Net gain on sales/calls of securities	43	1,212
Other noninterest income	619	1,012
Total noninterest income	(949)	14,598
Noninterest expense		
Salaries and employee benefits	29,033	26,260
Occupancy and equipment	2,480	2,275
Data processing	3,664	3,450
Federal deposit insurance	2,450	2,658
Other noninterest expense	6,852	5,448
Total noninterest expense	44,479	40,091
Income before income taxes	95,091	103,655
Provision for income taxes	26,676	30,256
Net income	$ 68,415	$ 73,399
Earnings per common share	$ 4.69	$ 4.99
Weighted average shares	14,584,314	14,710,670

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME
(dollars in thousands)

	Years Ended December 31,	
	2025	2024
Net income	$68,415	$73,399
Other comprehensive income:		
Unrealized holding gain on debt securities available for sale arising during the period	6,354	2,167
Reclassification adjustment for losses on debt securities available for sale included in net income	55	15
Tax effect	(1,923)	(655)
Net of tax	4,486	1,527
Reclassification adjustment for losses on previous cash flow hedges included in net income	(2,488)	(2,488)
Tax effect	746	746
Net of tax	(1,742)	(1,742)
Total other comprehensive income (loss)	2,744	(215)
Comprehensive income	$71,159	$73,184

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY
(dollars in thousands except for per share amounts)

	Common Stock Shares	Common Stock Amount	Accumulated Other Comprehensive Income, Net	Retained Earnings	Total Shareholders' Equity
Balance at January 1, 2024	14,528,070	$37,275	$4,101	$376,354	$417,730
Net income				73,399	73,399
Other comprehensive loss			(215)		(215)
Stock compensation expense		1,978			1,978
Restricted shares vested, net	91,020				
Repurchase of common stock	(215,390)	(5,973)			(5,973)
Common dividends ($0.15 per share)				(2,179)	(2,179)
Balance at December 31, 2024	14,403,700	$33,280	$3,886	$447,574	$484,740
Net income				68,415	68,415
Other comprehensive income			2,744		2,744
Stock compensation expense		2,359			2,359
Restricted shares vested, net	88,710				
Repurchase of common stock	(219,620)	(7,429)			(7,429)
Common dividends ($0.16 per share)				(2,338)	(2,338)
Impact of Stock Split		130		(130)	—
Balance at December 31, 2025	14,272,790	$28,340	$6,630	$513,521	$548,491

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS
(dollars in thousands)

	Years Ended December 31, 2025	Years Ended December 31, 2024
Cash flows from operating activities		
Net income	$ 68,415	$ 73,399
Adjustments to reconcile net income to net cash provided by operating activities		
Depreciation and amortization, net	(3,753)	(7,676)
Provision for credit losses	1,985	7,539
Increase in net deferred loan fees and costs	269	1,371
Deferred income taxes	(1,574)	(1,277)
Net gain on sales/calls of securities	(43)	(1,212)
Change in fair value adjustment on hedged loans	(57,920)	15,941
Change in the fair value adjustment on fair value hedges	59,288	(17,309)
Net loss (gain) on derivatives	10,155	(1,321)
Decrease (increase) in accrued interest receivable	182	(4,628)
Decrease in other assets	692	997
Stock compensation expense	2,359	1,978
Increase (decrease) in accrued interest payable	227	(2,236)
Decrease in other liabilities	(3,801)	(3,648)
Net cash provided by operating activities	76,481	61,918
Cash flows from investing activities		
Available-for-sale debt securities		
Maturities, prepayments and calls	526,596	505,360
Purchases	(506,064)	(518,681)
Equity securities net activity	(1,418)	(1,214)
Loan originations and payments, net	(353,850)	(587,889)
Purchases of premises and equipment	(1,013)	(671)
Net cash used in investing activities	(335,749)	(603,095)
Cash flows from financing activities		
Net increase in demand deposits, money market accounts, interest-bearing transaction accounts and savings deposits	779,996	157,896
Net decrease in time deposits	(86,196)	(24,044)
Net decrease in other borrowings	(25,000)	—
Net (decrease) increase of cash collateral related to derivatives	(70,960)	15,110
Repurchase of common stock	(7,429)	(5,973)
Cash dividends paid—common	(2,338)	(2,179)
Net cash provided by financing activities	588,073	140,810
Net increase (decrease) in cash and equivalents	328,805	(400,367)
Cash and cash equivalents at beginning of year	148,666	549,033
Cash and cash equivalents at end of year	$ 477,471	$ 148,666
Supplemental disclosure of cash flow information		
Cash paid during the year for		
Interest	$ 140,202	$ 144,685
Income taxes	$ 27,587	$ 33,481
Supplemental disclosure of noncash activities		
Lease liabilities arising from obtaining right-of-use assets	$ 326	$ 374

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1—Summary of Significant Accounting Policies

The accounting and reporting policies of River City Bank ("the Bank") and its wholly owned subsidiaries River City Property Corporation ("RCPC") and River City Money Management Company ("RCMMC") conform with U.S. Generally Accepted Accounting Principles ("GAAP") and prevailing practices within the banking industry.

Nature of Operations and Principles of Consolidation

The Bank is a California state-chartered bank headquartered in Sacramento, California, and its deposits are insured by the Federal Deposit Insurance Corporation ("FDIC") up to the applicable amounts. The Bank operates eight branch locations within El Dorado, Placer, Sacramento and Yolo counties. Additionally, the Bank operates one loan production office in San Francisco County. The Bank's primary deposit products are checking, savings, and term certificate accounts, and its primary lending products are commercial real estate, commercial, agriculture, residential mortgage, and consumer loans. Substantially all loans are secured by specific items of collateral including business assets, consumer assets, and commercial and residential real estate in the Western United States. Commercial loans are expected to be repaid from cash flow from operations of businesses. There are no significant concentrations of loans to any one industry or customer. The customers' ability to repay their loans is dependent on the real estate and general economic conditions in the area. The Bank's wholly owned subsidiaries, RCPC and RCMMC, have not had significant operations in 2025 and 2024.

The consolidated financial statements include the accounts of the Bank and its wholly owned subsidiaries for all periods presented. All significant inter-company balances and transactions have been eliminated in consolidation.

Use of Estimates

To prepare financial statements in conformity with U.S. GAAP management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results will differ.

Risks and Uncertainties

In the normal course of business, the Bank encounters two significant types of risk: economic and regulatory. There are three main components of economic risk: interest rate risk, credit risk and market risk. The Bank is subject to interest rate risk to the degree that its interest-bearing liabilities mature or reprice at different speeds, or on a different basis, than its interest-earning assets. Credit risk is the risk of default, primarily in the loan portfolio, that results from the borrowers' inability or unwillingness to make contractually required payments. Market risk reflects changes in the value of securities, the value of collateral underlying loans receivable, the valuation of other investments, the valuation of deferred tax assets, the valuation of interest rate swaps and the valuation of interest rate caps.

The Bank is subject to the regulations of various governmental agencies, including the Bank's primary regulators the California Department of Financial Protection and Innovation ("DFPI") and the FDIC. These regulations can change from period to period. Such regulations can also restrict the Bank's ability to sustain continued growth as a result of capital and other requirements. The Bank also undergoes periodic examinations by the regulatory agencies, which may subject it to further changes with respect to asset valuations, amounts of required allowance for credit losses and operating restrictions resulting from the regulators' judgments based upon information available to them at the time of their examination.

Subsequent Events

The Bank has evaluated subsequent events for recognition and disclosure through March 4, 2026, which is the date the financial statements were issued.

Note 1—Summary of Significant Accounting Policies (continued)

Interest-Bearing Deposits in Other Financial Institutions

Interest-bearing deposits in other financial institutions mature within one year and are carried at cost.

Securities

Debt securities at December 31, 2025 and 2024 consist of U.S. Treasury and U.S. Government agency obligations, mortgage-backed securities, municipal securities, collateralized mortgage obligations, corporate bonds and other securities. At the time of purchase of a security the Bank designates debt securities as held-to-maturity ("HTM") or available-for-sale ("AFS"), based on the investment objectives, operational needs and intent to hold. The Bank does not purchase securities with the intent to engage in trading activity. Equity securities of $15,135,000 and $13,717,000 as of December 31, 2025 and 2024, respectively, include legacy VISA class B stock, investments in Small Business Investment Company ("SBIC") funds and in a Small Business Administration loan fund. The equity securities are carried at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment. Restrictions on the sale of equity securities held are not considered in the fair value measurement unless the restriction is a characteristic of the actual security. The fair market value for these securities are not readily determinable and reviewed for impairment at least annually. The VISA class B stock was carried at $0 as of December 31, 2025 and 2024.

Debt securities are classified as HTM and carried at amortized cost when management has a positive intent and ability to hold them to maturity. AFS securities are carried at fair value with unrealized gains or losses included in other comprehensive income, net of tax ("OCI").

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage-backed securities where prepayments are anticipated. For securities purchased at a premium with a call date, the premium is amortized to that call date. Gains and losses realized upon disposition of securities are recorded as a component of noninterest income on the trade date, based upon the net proceeds and the adjusted carrying value of the securities using the specific identification method.

For AFS securities in an unrealized loss position, management first evaluates whether it intends to sell, or it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the security's amortized cost basis is written down to fair value through income. For AFS debt securities that do not meet the aforementioned criteria, the Bank evaluates whether the decline in fair value has resulted from an actual or estimated credit loss event. Management considers, among other factors, the extent to which fair value is less than amortized cost, changes to the rating of the security, and adverse conditions specifically related to the security. If this assessment indicates that a credit loss is likely, management then determines the present value of cash flows expected to be collected from the security as compared to the amortized cost basis of the security. If the present value of the cash flows expected to be collected is less than the amortized cost basis, an allowance for credit losses is recorded for the estimated credit loss, limited by the amount that the fair value is less than the amortized cost basis. Any impairment that has not been recorded through an allowance is recognized in other comprehensive income. Accrued interest receivable on available-for-sale securities is excluded from the estimate of credit losses. Accrued interest receivable on available-for-sale securities was $4,323,000 and $5,486,000 at December 31, 2025 and 2024 respectively.

Loans and Allowance for Credit Losses ("ACL")

Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at amortized cost, net of fair value hedge accounting adjustments and

Note 1—Summary of Significant Accounting Policies (continued)

net of the ACL. Amortized cost is the principal balance outstanding net of deferred loan costs and fees. Accrued interest receivable is reported separately on the consolidated balance sheets and is excluded from the estimate of credit losses. Accrued interest receivable on loans held for investment was $17,534,000 and $15,811,000 at December 31, 2025 and 2024 respectively. Interest on loans is credited to income based on the principal amount outstanding. Loan origination fees, net of certain direct loan origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income is accrued using methods that approximate a level-yield method on the principal outstanding, based on the contractual terms of the loan. Loans are placed on nonaccrual status when the full timely collection of principal or interest becomes uncertain or when principal or interest is past due for 90 days or more, except for loans that are both well secured and in the process of collection. Past due status is based on the contractual terms of the loan. Loans that are placed on nonaccrual status are considered to be non-performing; all other loans are considered to be performing. At the time a loan is placed on nonaccrual status, any interest income previously accrued but not collected is reversed. Interest received on such loans is accounted for on the cash-basis method until qualifying for return to accrual. Under the cash-basis method, interest income is recorded when the payment is received. Interest accruals are resumed when such loans are brought fully current with respect to interest and principal and when, in the judgment of management, the loans are estimated to be fully collectible as to both principal and interest.

The ACL is a valuation account that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the Bank's loan portfolio. The ACL is established through provisions for credit losses charged against income. When available information confirms that specific loans, or portions thereof, are uncollectible, these amounts are charged against the ACL, and subsequent recoveries, if any, are credited to the ACL.

Management estimates the ACL balance using relevant available information, from internal and external sources, relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience generally provides the basis for the estimate of expected credit losses. Given that the Bank's charge-off history in the recent past is limited, the Bank is utilizing a nationwide index of charge-off history as a baseline for loss rates in its cash flow modeling. The index is a national dataset containing loan level information, as well as the related charge-offs and recoveries of regional and community banks across the U.S. In total, this data covers multiple economic cycles, has a broad geographic footprint, covers many loan categories, and provides sufficient details to support robust modeling of Probability of Default ("PD") and Loss Given Default ("LGD"). The ACL model utilizes a discounted cash flow method to measure the expected credit losses on loans collectively evaluated. This method incorporates assumptions for PD, LGD and prepayments over the contractual terms of the loans. The Bank utilizes a reasonable and supportable forecast period of two years and obtained unemployment forecast data from publicly available sources. For periods beyond the forecast horizon, the economic factors revert to historical averages on a straight-line basis over a two-year period. Adjustments to historical loss information are made for differences in current loan-specific risk characteristics such as actual and expected changes in economic and business conditions, the nature and volume of the Bank's loan portfolio, property values of underlying collateral and other relevant factors.

The ACL is measured on a collective (pool) basis when similar risk characteristics exist. The Bank has identified the following portfolio segments and measures the ACL using the PG/LGD cash flow method for each of the segments listed:

Commercial and industrial: Repayment of these loans is primarily based on the cash flow of the borrower, and secondarily on the underlying collateral provided by the borrower. A borrower's cash flow may be unpredictable, and collateral securing these loans may fluctuate in value. Most often, collateral includes accounts receivable, inventory, or equipment. Collateral securing these

Note 1—Summary of Significant Accounting Policies (continued)

loans may depreciate over time, may be difficult to appraise, may be illiquid and may fluctuate in value based on the success of the business. Actual and forecast changes in gross domestic product are believed to be corollary to losses associated with these credits.

Commercial real estate: These commercial properties typically consist of buildings which are leased to others for their use and rely on rents as the primary source of repayment. For purposes of the ACL, it also includes owner-occupied properties. Property types are predominantly multifamily, office, retail, or light industrial but the portfolio also has some special use properties. As such, the risk of loss associated with these properties is primarily driven by general economic changes or changes in regional economies and the impact of such on a tenant's ability to pay. Ultimately this can affect occupancy, rental rates, or both. Additional risk of loss can come from new construction resulting in oversupply, the costs to hold or operate the property, or changes in interest rates. The terms on these loans at origination typically have maturities from five to ten years with amortization periods from fifteen to twenty-five years.

Construction and land development: While secured by real estate, construction and land development loans represent a greater level of risk than commercial real estate loans due to the nature of the additional risks associated with not only the completion of construction within an estimated time period and budget, but also the need to either sell the building or reach a level of stabilized occupancy sufficient to generate the cash flows necessary to support debt service and operating costs. The Bank seeks to mitigate the additional risks associated with construction lending by requiring borrowers to comply with lower loan to value ("LTV") ratios and additional covenants as well as strong tertiary support of guarantors. The loss forecasting model applies the historical rate of loss for similar loans over the expected life of the asset as adjusted for macroeconomic factors.

Residential real estate: The most significant drivers of potential loss within the Bank's residential real estate portfolio relate to general, regional, or individual changes in economic conditions and their effect on employment and borrowers cash flow. Risk in this portfolio is best measured by changes in borrower credit score and loan-to-value. Loss estimates are based on the general movement in credit score, economic outlook and its effects on employment and the value of homes and the Bank's historical loss experience adjusted to reflect the economic outlook and the unemployment rate.

Consumer: The majority of these consumer loans are home equity lines of credit ("HELOCs") or other junior lien credits. Similar to residential real estate term loans, HELOCs and junior liens performance is also primarily driven by borrower cash flows based on employment status. However, HELOCs carry additional risks associated with the fact that most of these loans are secured by a deed of trust in a position that is junior to the primary lien holder.

Agricultural: Repayment of agricultural loans is dependent upon successful operation of the agricultural business, which is greatly impacted by factors outside the control of the borrower. These factors include adverse weather conditions, including access to water, that may impact crop yields, declines in market prices for agriculture products, changes in foreign exchange, and the impact of government regulations. In addition, many farms are dependent on a limited number of key individuals whose injury or death may significantly affect the successful operation of the business. Consequently, agricultural production loans may involve a greater degree of risk than other types of loans.

Management believes that the methods selected fairly reflect the historical loss component of expected losses inherent in the Bank's loan portfolio. However, since future losses could vary significantly from those experienced in the past, on a quarterly basis management considers whether adjustments to the quantitative portion of the ACL are needed to reflect the extent to which it expects current conditions and reasonable and supportable forecasts to differ from the conditions that existed in the historical period included in the development of PD and LGD. Qualitative characteristics

Note 1—Summary of Significant Accounting Policies (continued)

include, but are not limited to, economic and business conditions; differences in the nature and volume of the Bank's financial assets; the volume and severity of deterioration of the Bank's loans; changes in underlying collateral; and the effect of other external factors such as regulatory, legal and technological environments and environmental risks.

Loans that do not share risk characteristics of the collectively evaluated loan segments are evaluated on an individual basis and are excluded from the collective evaluation. When management determines that foreclosure is probable or when the borrower is experiencing financial difficulty at the reporting date and repayment is expected to be provided substantially through the operation or sale of the collateral, expected credit losses are based on the fair value of the collateral at the reporting date, adjusted for estimated selling costs as appropriate. For individually assessed loans that are not collateral dependent, the Bank will generally use a discounted cash flow method to determine the ACL. Determining expected future cash flows can be more subjective than determining fair values. Expected future cash flows could differ significantly, both in timing and amount, from the cash flows actually received over the loan's remaining life.

Modifications to borrowers experiencing financial difficulty that do not share risk characteristics of the collectively evaluated loan segments are evaluated on an individual basis and are excluded from the collective evaluation. An assessment of whether a borrower is experiencing financial difficulty is made on the date of a modification. A charge to the ACL is generally not recorded upon modification.

The Bank categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt such as current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Bank analyzes loans individually by classifying the loans as to credit risk. These risk grades are given to the commercial and industrial; commercial real estate; construction and land development and agricultural portfolio segments. The Bank uses the following definitions for risk ratings:

- Special Mention—Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.
- Substandard—Loans classified as substandard have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.
- Doubtful—Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or repayment in full highly questionable and improbable.

Management believes that as of December 31, 2025 and 2024 the ACL is adequate based on information currently available. The ACL is an amount that management currently believes will be adequate to absorb current expected credit losses in the Bank's loan portfolio. The process for estimating credit losses and determining the ACL as of any balance sheet date is subjective in nature and requires material estimates. Actual results could differ significantly from those estimates.

Allowance for Credit Losses for Unfunded Commitments

The Bank estimates expected credit losses over the contractual period in which the Bank is exposed to credit risk via a contractual obligation to extend credit, unless that obligation is unconditionally cancellable by the Bank. The allowance for credit losses for unfunded commitments is adjusted through provision for credit losses — unfunded commitments. The estimate includes consideration of the likelihood that funding will occur and an estimate of expected credit losses on

Note 1—Summary of Significant Accounting Policies (continued)

commitments expected to be funded over its estimated life. The Bank uses the same process as described above for loans, to estimate historical losses, economic conditions and reasonable and supportable forecasts.

Concentration of Credit Risk

Most of the Bank's business activity is with commercial real estate borrowers in the Western United States. The Bank's exposure to credit risk is significantly affected by interest rate changes, commercial real estate valuations and societal trends that may lead to less use of commercial real estate properties.

Other Real Estate Owned

Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed. As of December 31, 2025 and 2024, the Bank did not have any other real estate owned.

Premises and Equipment

Premises and equipment are stated at cost less accumulated depreciation. Land is carried at cost. Depreciation is computed on the straight-line method over the estimated useful lives of the assets, principally 10 to 39 years for buildings and improvements and 3 to 7 years for equipment and furniture. The cost of leasehold improvements is amortized on a straight-line basis over the lesser of the terms of the related leases or estimated useful life.

Bank Owned Life Insurance

The Bank has purchased life insurance policies on certain key executives. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement. The cash surrender value of these insurance policies was $8,693,000 and $8,407,000 as of December 31, 2025 and 2024, respectively, and is recorded in other assets in the Consolidated Balance Sheets.

Federal Home Loan Bank of San Francisco ("FHLB") Stock

The Bank is a member of the FHLB system. Members are required to own a certain amount of stock based on the level of borrowings and other factors and may invest in additional amounts. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. As of December 31, 2025 and 2024, the Bank owned stock with a book value of $15,000,000. These amounts are included in other assets in the Consolidated Balance Sheets. Both cash and stock dividends are reported as FHLB dividends within non-interest income. The Bank received cash dividends of $1,312,000 and $1,314,000 in 2025 and 2024, respectively.

Qualified Affordable Housing Project Investments

The Bank invests in qualified affordable housing projects. The Bank's balance of investment for qualified affordable housing projects was $3,381,000 and $4,121,000 as of December 31, 2025 and 2024, respectively. These balances are included in other assets in the Consolidated Balance Sheets. At the time the Bank enters an investment, the Bank is required to record the entire commitment to the investment on the balance sheet as an investment and the related obligation. Total unfunded

Note 1—Summary of Significant Accounting Policies (continued)

commitments to the investments in qualified affordable housing projects totaled $187,000 and $3,184,000 at December 31, 2025 and 2024, respectively. The Bank expects to fulfill these commitments during the year ending 2026.

The Bank accounts for these investments using the proportional amortization method. During the years ended December 31, 2025, and 2024, the Bank recognized amortization expense of $733,000, and $176,000, respectively, which was included within income tax expense in the Consolidated Statements of Operations and change in other assets on the Consolidated Statements of Cash Flows. Additionally, during the years ended December 31, 2025, and 2024, the Bank recognized tax credits and other benefits from its investment in affordable housing tax credits of $518,000, and $197,000, respectively.

Investment in Registered Investment Advisor

The Bank's investment in a registered investment advisor firm as of December 31, 2025 and 2024 was $7,599,000 and is included in other assets in the Consolidated Balance Sheets. This investment is carried at cost and periodically evaluated for impairment.

Income Taxes

Income tax expense is the total of the current year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and net operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

A tax position is recognized as a benefit only if it is "more likely than not" that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the "more likely than not" test, no tax benefit is recorded. The Bank recognizes interest and penalties related to income tax matters in income tax expense.

Earnings per Common Share

Earnings per common share is net income divided by the weighted average number of common shares outstanding during the period. All outstanding unvested share-based payment awards that contain rights to non-forfeitable dividends are considered participating securities for this calculation. The Bank had no dilutive securities outstanding as of December 31, 2025 and 2024; therefore, only show earnings per common shares.

On December 16, 2025, the Bank completed a forward split of its issued and outstanding shares of common stock at a ratio of 10-for-1 (the "Forward Stock Split"), effectuated as a stock dividend. As a result of the Forward Stock Split, for each issued and outstanding share of the Bank's common stock prior to the effective time of the Forward Stock Spilt, another nine shares were granted of common stock and the total number of issued and outstanding shares of common stock increased from 1,450,324 shares to 14,503,240 shares. The Forward Stock Split has been retrospectively applied to the consolidated financial statements for the year ended December 31, 2024.

Note 1—Summary of Significant Accounting Policies (continued)

Derivative Instruments and Hedging Activity

The Bank's accounting for derivative instruments requires the Bank to recognize those items as assets or liabilities in the Consolidated Balance Sheets and measure them at fair value. At the inception of a derivative contract, the Bank designates the derivative as one of three types based on the Bank's intentions and belief as to likely effectiveness as a hedge. These three types are (1) a hedge of the fair value of a recognized asset or liability or of an unrecognized firm commitment ("fair value hedge"), (2) a hedge of a forecasted transaction or the variability of cash flows to be received or paid related to a recognized asset or liability ("cash flow hedge"), or (3) an instrument with no hedging designation ("non-designated derivative"). For a fair value hedge, the gain or loss on the derivative, as well as the offsetting loss or gain on the hedged item attributable to the hedged risk, are recognized in current earnings as fair values change. For a cash flow hedge, the gain or loss on the derivative is reported in other comprehensive income or loss and is reclassified into earnings in the same periods during which the hedged transaction affects earnings. Changes in the fair value of derivatives not designated are reported in current earnings, as noninterest income.

Net cash settlements on derivatives that qualify for hedge accounting are recorded in interest income or interest expense, based on the item being hedged. Net cash settlements on derivatives not designated are recorded in noninterest income.

The Bank formally documents the relationship between derivatives and hedged items, as well as the risk-management objective and the strategy for undertaking hedge transactions at the inception of the hedging relationship. This documentation includes linking fair value or cash flow hedges to specific assets and liabilities on the balance sheet or to specific firm commitments or forecasted transactions. The Bank also formally assesses, both at the hedge's inception and on an ongoing basis, whether the derivative instruments that are used are highly effective in offsetting changes in fair values or cash flows of the hedged items. The Bank discontinues hedge accounting when it determines that the derivative is no longer effective in offsetting changes in the fair value or cash flows of the hedged item, the derivative is settled or terminates, a hedged forecasted transaction is no longer probable, a hedged firm commitment is no longer firm, or treatment of the derivative as a hedge is no longer appropriate or intended.

When hedge accounting is discontinued, subsequent changes in fair value of the derivative are recorded as noninterest income. When a fair value hedge is discontinued, the hedged asset or liability is no longer adjusted for changes in fair value and the existing basis adjustment is amortized or accreted over the remaining life of the asset or liability. When a cash flow hedge is discontinued but the hedged cash flows or forecasted transactions are still expected to occur, gains or losses that were accumulated in other comprehensive income are amortized into earnings over the same periods which the hedged transactions will affect earnings.

The Bank is exposed to losses if a counterparty fails to make its payments under a contract in which the Bank is in the net receiving position. The Bank anticipates that the counterparties will be able to fully satisfy their obligations under the agreements. All the contracts to which the Bank is a party, settle monthly. In addition, the Bank obtains collateral above certain thresholds of the fair value of its derivatives for each counterparty based upon their credit standing and the Bank netting agreements with the dealers with which it does business.

Statements of Cash Flows

For purposes of reporting cash flows, the Bank considers cash and cash equivalents to include cash and due from financial institutions with maturities fewer than 90 days. Net cash flows are reported for customer loan and deposit transactions, interest-bearing deposits in other financial institutions and short-term borrowings.

Note 1—Summary of Significant Accounting Policies (continued)

Comprehensive Income

Comprehensive income consists of net income and other comprehensive income or loss. Other comprehensive income or loss includes unrealized gains and losses on debt securities AFS and unrealized gains and losses on previously designated cash flow hedges which are also recognized as separate components of equity.

Fair Values of Financial Instruments

Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in *Note 9*. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Stock-Based Compensation

Compensation cost is recognized for stock options and restricted stock awards issued to employees and directors based on the fair value of these awards at the date of grant. A Black-Scholes model is utilized to estimate the fair value of stock options, while the market price of the Bank's common stock at the date of grant is used for restricted stock awards (using the previous 90 days of trading activity). Compensation cost is recognized over the required service period, generally defined as the vesting period. See also *Note 13*.

Operating Segments

While the chief decision-makers monitor the revenue streams of the various products and services, operations are managed, and financial performance is evaluated on a Bank-wide basis. Discrete financial information is not available other than on a Bank-wide basis. Accordingly, all of the banking operations are considered by management to be aggregated in one reportable operating segment. See also *Note 17.*

Revenue Recognition

The Bank records revenue from contracts with customers in accordance with *Accounting Standards Codification Topic 606, "Revenue from Contracts with Customers"* ("Topic 606"). Under Topic 606, the Bank must identify the contract with a customer, identify the performance obligations in the contract, determine the transaction price, allocate the transaction price to the performance obligations in the contract, and recognize revenue when (or as) the Bank satisfies a performance obligation.

Most of our revenue-generating transactions are not subject to Topic 606, including revenue generated from financial instruments, such as our loans and investment securities. In addition, certain noninterest income streams such as net cash settlements associated with derivatives are also not in scope of the guidance. The Bank's non-interest revenue streams are largely based on transactional activity. Consideration is often received immediately or shortly after the Bank satisfies its performance obligation and revenue is recognized. The Bank does not typically enter long-term revenue contracts with customers, and therefore does not experience significant contract balances. As of December 31, 2025 and 2024, the Bank did not have any significant contract balances. The Bank has evaluated the nature of its revenue streams and determined that further disaggregation of revenue into more granular categories was not necessary. The following are descriptions of the most significant revenues within the scope of Topic 606:

Note 1—Summary of Significant Accounting Policies (continued)

Deposit service charges

The Bank earns fees from its deposit customers for account maintenance, transaction-based and overdraft services. Account maintenance fees consist primarily of account fees and analyzed account fees charged on deposit accounts monthly. The performance obligation is satisfied and the fees are recognized monthly as the service period is completed. Transaction-based fees on deposit accounts are charged to deposit customers for specific services provided to the customer, such as non-sufficient funds fees, overdraft fees, and wire fees. The performance obligation is completed as the transaction occurs and the fees are recognized at the time each specific service is provided to the customer.

Check card revenue

Check card revenue represents interchange fees earned when a debit card issued by the Bank is used. The Bank earns interchange fees from debit cardholder transactions through the MasterCard payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder. The performance obligation is satisfied and the fees are earned when the cost of the transaction is charged to the cardholders' debit card.

Reclassifications

Some items in the prior year consolidated financial statements have been reclassified to conform to the current presentation.

Recently Adopted Accounting Pronouncements

ASU 2023-09, Improvements to Income Tax Disclosures

In December 2023, the FASB issued guidance within *ASU 2023-09, "Income Taxes"* (Topic 740). The amendments in this update require annual disclosures which provide qualitative and quantitative updates to the rate reconciliation and income taxes paid disclosures, among others, in order to enhance the transparency of income tax disclosures.

Management adopted this guidance on a prospective basis beginning with the annual period ending December 31, 2025 and has provided these enhanced income tax disclosures. There was no impact on the Bank's financial position or results of operations.

Recent Accounting Pronouncements, Not Yet Adopted

ASU 2025-09 Improvements to Hedge Accounting

In November 2025, the FASB issued guidance within *ASU 2025-09, "Derivatives and Hedging (Topic 815): Hedge Accounting Improvements.*" ASU 2025-09 amends ASC 815 to align hedge accounting more closely with an entity's economic risk management practices. Key amendments include expanding the ability to group forecasted transactions with similar (rather than identical) risk exposure, establishing a model for hedging interest payments on choose-your-rate debt, expanding hedge accounting for certain forecasted nonfinancial transactions, and updating guidance on net written options and foreign-currency-denominated debt. ASU 2025-09 will be effective for us beginning in 2027, though early adoption is permitted. Management is currently evaluating the impact of this guidance and does not expect adoption to have a material impact on the Bank's financial statements.

Note 2—Debt Securities

The following table summarizes the amortized cost and fair value of the AFS securities portfolio at December 31, 2025 and 2024 and the corresponding amounts of gross unrealized gains and losses (*dollars in thousands*):

	2025			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale				
U.S. Treasury securities	$339,024	$2,153	$ —	$341,177
U.S. government sponsored entities and agency securities	110,780	518	(1)	111,297
Municipal securities	4,939	1	(64)	4,876
Mortgage—backed securities: residential	58,115	7	(5,771)	52,351
Mortgage—backed securities: commercial	84,999	138	(229)	84,908
Collateralized mortgage obligations	36,604	121	(275)	36,450
Corporate debt securities	37,595	407	(31)	37,971
Asset-backed securities	6,365	10	(7)	6,368
Total available-for-sale	$678,421	$3,355	$(6,378)	$675,398

	2024			
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Available-for-sale				
U.S. Treasury securities	$374,376	$ 467	$ (87)	$374,756
U.S. government sponsored entities and agency securities	171,141	872	(1)	172,012
Municipal securities	5,671	—	(186)	5,485
Mortgage—backed securities: residential	70,791	3	(9,481)	61,313
Mortgage—backed securities: commercial	3,248	—	(12)	3,236
Collateralized mortgage obligations	38,839	119	(548)	38,410
Corporate debt securities	24,570	—	(579)	23,991
Asset-backed securities	8,119	10	(9)	8,120
Total available-for-sale	$696,755	$1,471	$(10,903)	$687,323

The proceeds from calls of debt securities and the associated gains and losses are listed below (*dollars in thousands*):

	2025	2024
Proceeds	$7,000	$5,000
Gross gains	9	—
Gross losses	$ —	$ (59)

The amortized cost and fair value of debt securities at December 31, 2025 by contractual maturity are shown below (dollars in thousands). Expected maturities, primarily in the mortgage-backed securities, collateralized mortgage obligation securities and asset-backed securities will differ from contractual maturities because certain borrowers have the right to call or prepay obligations with or without call or prepayment penalties. The contractual maturities of the mortgage-backed securities, collateralized mortgage obligations and asset-backed securities range from 2026 through 2066.

Note 2—Debt Securities (continued)

	Available-for-sale	
	Amortized Cost	Fair Value
Due in one year or less	$353,262	$353,952
Due after one year through five years	136,803	139,126
Due after five years through ten years	2,273	2,243
After ten years	—	—
	492,338	495,321
Mortgage-backed securities, collateralized mortgage obligations and asset-backed securities	186,083	180,077
	$678,421	$675,398

At December 31, 2025, securities with a carrying value of $416,259,000 and $1,715,000 were pledged as collateral for deposits of public funds and other purposes, respectively. These amounts at December 31, 2024, were $230,107,000 and $1,711,000, respectively. At December 31, 2025 and 2024 there were no holdings of investment securities of any one issuer, other than the U. S. Government and its agencies, in an amount greater than 10% of shareholders' equity.

The following table summarizes debt securities available-for-sale in an unrealized loss position for which an allowance for credit losses has not been recorded at December 31, 2025, aggregated by major security type and length of time in a continuous unrealized loss position (*dollars in thousands*):

	2025					
	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Available-for sale						
U.S. Treasury securities	$ —	$ —	$ —	$ —	$ —	$ —
U.S. government sponsored entities and agency securities	(1)	705	—	—	(1)	705
Municipal securities	—	—	(64)	2,230	(64)	2,230
Mortgage—backed securities: residential	—	—	(5,771)	52,063	(5,771)	52,063
Mortgage—backed securities: commercial	(92)	39,531	(137)	2,393	(229)	41,924
Collateralized mortgage obligations	—	—	(275)	11,365	(275)	11,365
Corporate debt securities	—	—	(31)	8,415	(31)	8,415
Asset-backed securities	(2)	1,534	(5)	1,028	(7)	2,562
Total unrealized losses	$(95)	$41,770	$(6,283)	$77,494	$(6,378)	$119,264

Note 2—Debt Securities (continued)

The following table summarizes debt securities available-for-sale in an unrealized loss position for which an allowance for credit losses has not been recorded at December 31, 2024, aggregated by major security type and length of time in a continuous unrealized loss position (dollars in thousands):

	2024					
	Less than 12 months		12 months or more		Total	
	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value
Available-for sale						
U.S. Treasury securities	$ (87)	105,179	$ —	$ —	$ (87)	105,179
U.S. government sponsored entities and agency securities	(1)	769	—	—	(1)	769
Municipal securities	(71)	2,012	(115)	2,208	(186)	4,220
Mortgage–backed securities: residential	(38)	2,096	(9,443)	58,875	(9,481)	60,971
Mortgage–backed securities: commercial	(5)	2,439	(7)	797	(12)	3,236
Collateralized mortgage obligations	(5)	24,662	(543)	13,587	(548)	38,249
Corporate debt securities	—	—	(579)	23,991	(579)	23,991
Asset-backed securities	—	—	(9)	3,689	(9)	3,689
Total unrealized losses	$(207)	$137,157	$(10,696)	$103,147	$(10,903)	$240,304

As of December, 31, 2025, no allowance for credit losses is deemed necessary for the Bank's AFS securities. Following is a discussion of unrealized losses by type of security at December 31, 2025:

There were 49 securities with a market value of $106,056,000 which had unrealized losses of $6,276,000 at December 31, 2025, that were issued by the U.S. government, U.S. government-sponsored entities and agencies, including Fannie Mae and Freddie Mac, institutions which the government has affirmed its commitment to support.

The Bank's corporate debt securities portfolio includes four securities with a market value of $8,415,000 which had unrealized losses of $31,000 at December 31, 2025. The Bank monitors certain credit characteristics of each corporate issuer on a quarterly basis and these issuers appear to be able to service all outstanding debt.

The Bank's debt securities portfolio includes three municipal securities with a market value of $2,230,000 which had unrealized losses of $64,000 at December 31, 2025. The Bank monitors certain credit characteristics of each municipal security issuer as necessary and these issuers appear to be able to service all outstanding debt.

The Bank's debt securities portfolio includes two asset-backed securities with a market value of $2,562,000 which had unrealized losses of $7,000 at December 31, 2025. The Bank monitors certain credit characteristics of each asset-backed security issuer as necessary and these issuers appear to be able to service all outstanding debt.

The decline in fair values for securities issued by the U.S. government, U.S. government-sponsored entities and agencies, corporate debt securities, municipal securities, and asset-backed securities is attributable to changes in interest rates, and not credit quality, and because management does not have intent to sell and it is likely that the Bank will not be required to sell these securities

Note 2—Debt Securities (continued)

before their anticipated recovery, management does not consider these securities to have credit impairment at December 31, 2025.

The Bank did not have any credit losses recognized in earnings for each of the years ending December 31, 2025, and 2024. The remaining amount of credit losses previously recognized into earnings for securities held at December 31, 2025 and 2024 was $99,000 and $154,000. The Bank recognized gains of $34,000 and $4,000 for the years ending December 31, 2025 and 2024 for payments received from securities which were fully written down prior to 2024.

Note 3—Loans and Allowance for Credit Losses

The composition of the Bank's loan portfolio is as follows (*dollars in thousands*):

	December 31, 2025	December 31, 2024
Commercial and Industrial	$ 183,207	$ 158,657
Commercial Real Estate	4,134,971	3,828,146
Construction and Land Development	25,192	12,400
Residential Real Estate	193,217	200,166
Consumer	8,345	10,235
Agricultural	73,262	55,013
	4,618,194	4,264,617
Less: Fair value adjustment on hedged loans	(38,540)	(96,460)
Allowance for credit losses	(103,799)	(102,163)
Loans, net	$4,475,855	$4,065,994

The above table is presented as the amortized cost basis, which includes net deferred loan fees across all loan classes of $9,909,000 and $9,640,000 as of December 31, 2025 and 2024.

For the year ended December 31, 2025, activity in the allowance for credit losses by portfolio segment is as follows (*dollars in thousands*):

	Commercial and Industrial	Commercial Real Estate	Construction and Land Development	Residential Real Estate	Consumer	Agricultural	Total
Allowance for credit losses:							
Beginning balance	$5,816	$91,808	$1,171	$2,659	$173	$ 536	$102,163
Provision for credit losses	1,431	(2,021)	1,489	(122)	(15)	878	1,640
Loans charged-off	(40)	—	—	—	—	—	(40)
Recoveries	34	—	—	—	2	—	36
Total ending allowance balance	$7,241	$89,787	$2,660	$2,537	$160	$1,414	$103,799

Note 3—Loans and Allowance for Credit Losses (continued)

For the year ended December 31, 2024, activity in the allowance for credit losses by portfolio segment is as follows (*dollars in thousands*):

	Commercial and Industrial	Commercial Real Estate	Construction and Land Development	Residential Real Estate	Consumer	Agricultural	Unallocated	Total
Allowance for credit losses:								
Beginning balance	$5,929	$82,693	$1,268	$2,357	$ 305	$536	$ 2,963	$ 96,051
Provision for credit losses	(113)	9,115	(97)	302	(135)	—	(2,963)	6,109
Loans charged-off	—	—	—	—	—	—	—	—
Recoveries	—	—	—	—	3	—	—	3
Total ending allowance balance	$5,816	$91,808	$1,171	$2,659	$ 173	$536	$ —	$102,163

The allowance for credit losses for unfunded commitments of $2,560,000 and $2,215,000 is included in other liabilities on the Consolidated Balance Sheets as of December 31, 2025 and 2024, respectively.

As of December, 31, 2025 and 2024, there were no loans that were deemed to be collateral-dependent.

The following table presents the aging of the amortized cost basis in past due loans and nonaccrual loans as of December 31, 2025 by class of loans (*dollars in thousands*):

	30-59 Days Past Due	60-89 Days Past Due	Greater than 89 Days	Total Past Due	Nonaccrual	Current	Total Loans
Commercial and Industrial	$ —	$ —	$ —	$ —	$ —	$ 183,207	$ 183,207
Commercial Real Estate	—	—	—	—	—	4,134,971	4,134,971
Construction and Land Development	—	—	—	—	—	25,192	25,192
Residential Real Estate	733	—	—	733	—	192,484	193,217
Consumer	45	—	—	45	—	8,300	8,345
Agricultural	—	—	—		—	73,262	73,262
Total	$778	$ —	$ —	$778	$ —	$4,617,416	$4,618,194

The following table presents the aging of the amortized cost basis in past due loans and nonaccrual loans as of December 31, 2024 by class of loans (*dollars in thousands*):

As of December 31, 2024

	30-59 Days Past Due	60-89 Days Past Due	Greater than 89 Days	Total Past Due	Nonaccrual	Current	Total Loans
Commercial and Industrial	$ 32	$417	$ —	$ 449	$ —	$ 158,208	$ 158,657
Commercial Real Estate	2,999	—	—	2,999	—	3,825,147	3,828,146
Construction and Land Development	—	—	—	—	—	12,400	12,400
Residential Real Estate	2,887	—	—	2,887	—	197,279	200,166
Consumer	56	—	—	56	—	10,179	10,235
Agricultural	—	—	—	—	—	55,013	55,013
Total	$5,974	$417	$ —	$6,391	$ —	$4,258,226	$4,264,617

Note 3—Loans and Allowance for Credit Losses (continued)

Credit Quality Indicators:

Based on the most recent analysis performed, the risk category of loans by class of loans is as follows. Term loans presented as the amortized cost basis by origination year (dollars in thousands):

As of December 31, 2025	2025	2024	2023	2022	2021	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial and industrial:									
Risk Rating									
Pass	$ 23,298	$ 19,642	$ 6,699	$ 2,420	$ 3,630	$ 52,958	$ 58,599	$ —	$ 167,246
Special mention	—	—	4,838	2,388	—	—	825	—	8,051
Substandard	—	—	—	—	7,910	—	—	—	7,910
	$ 23,298	$ 19,642	$ 11,537	$ 4,808	$ 11,540	$ 52,958	$ 59,424	$ —	$ 183,207
Commercial real estate:									
Risk Rating									
Pass	$621,450	$705,163	$575,668	$709,510	$475,693	$ 944,684	$ 14,767	$ —	$4,046,935
Special mention	—	—	—	—	—	40,697	—	—	40,697
Substandard	—	—	—	—	1,402	45,937	—	—	47,339
	$621,450	$705,163	$575,668	$709,510	$477,095	$1,031,318	$ 14,767	$ —	$4,134,971
Construction and land development:									
Risk Rating									
Pass	$ —	$ 16,265	$ —	$ —	$ —	$ —	$ —	$ —	$ 16,265
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	8,927	—	—	—	—	8,927
	$ —	$ 16,265	$ —	$ 8,927	$ —	$ —	$ —	$ —	$ 25,192
Residential real estate:									
Risk Rating									
Pass	$ 9,307	$ 17,282	$ 14,907	$ 21,042	$ 57,204	$ 73,475	$ —	$ —	$ 193,217
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
	$ 9,307	$ 17,282	$ 14,907	$ 21,042	$ 57,204	$ 73,475	$ —	$ —	$ 193,217
Consumer:									
Risk Rating									
Pass	$ 535	$ 342	$ 702	$ 723	$ 448	$ 1,603	$ 3,992	$ —	$ 8,345
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
	$ 535	$ 342	$ 702	$ 723	$ 448	$ 1,603	$ 3,992	$ —	$ 8,345
Agricultural:									
Risk Rating									
Pass	$ 19,221	$ 238	$ —	$ —	$ 493	$ 12,352	$ 39,058	$1,900	$ 73,262
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
	$ 19,221	$ 238	$ —	$ —	$ 493	$ 12,352	$ 39,058	$1,900	$ 73,262
Total loans	$673,811	$758,932	$602,814	$745,010	$546,780	$1,171,706	$117,241	$1,900	$4,618,194

Note 3—Loans and Allowance for Credit Losses (continued)

As of December 31, 2024	2024	2023	2022	2021	2020	Prior	Revolving Loans Amortized Cost Basis	Revolving Loans Converted to Term	Total
Commercial and industrial:									
Risk Rating									
Pass	$ 19,696	$ 11,733	$ 3,267	$ 5,068	$ 19,204	$ 39,369	$ 42,163	$ 74	$ 140,574
Special mention	—	5,473	2,734	—	—	—	1,804	—	10,011
Substandard	—	—	—	8,072	—	—	—	—	8,072
	$ 19,696	$ 17,206	$ 6,001	$ 13,140	$ 19,204	$ 39,369	$ 43,967	$ 74	$ 158,657
Commercial real estate:									
Risk Rating									
Pass	$750,908	$629,818	$749,428	$501,019	$309,748	$775,786	$ 12,474	$ —	$3,729,181
Special mention	—	—	—	1,842	847	26,346	—	—	29,035
Substandard	—	—	—	1,445	27,012	41,473	—	—	69,930
	$750,908	$629,818	$749,428	$504,306	$337,607	$843,605	$ 12,474	$ —	$3,828,146
Construction and land development:									
Risk Rating									
Pass	$ —	$ 4,996	$ —	$ —	$ —	$ —	$ —	$ —	$ 4,996
Special mention	—	—	7,404	—	—	—	—	—	7,404
Substandard	—	—	—	—	—	—	—	—	—
	$ —	$ 4,996	$ 7,404	$ —	$ —	$ —	$ —	$ —	$ 12,400
Residential real estate:									
Risk Rating									
Pass	$ 18,822	$ 16,328	$ 21,712	$ 60,041	$ 46,604	$ 36,659	$ —	$ —	$ 200,166
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
	$ 18,822	$ 16,328	$ 21,712	$ 60,041	$ 46,604	$ 36,659	$ —	$ —	$ 200,166
Consumer:									
Risk Rating									
Pass	$ 2,765	$ 759	$ 748	$ 465	$ —	$ 2,066	$ 3,217	$215	$ 10,235
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
	$ 2,765	$ 759	$ 748	$ 465	$ —	$ 2,066	$ 3,217	$215	$ 10,235
Agricultural:									
Risk Rating									
Pass	$ 302	$ —	$ 285	$ 611	$ 3,817	$ 9,326	$ 40,672	$ —	$ 55,013
Special mention	—	—	—	—	—	—	—	—	—
Substandard	—	—	—	—	—	—	—	—	—
	$ 302	$ —	$ 285	$ 611	$ 3,817	$ 9,326	$ 40,672	$ —	$ 55,013
Total loans	$792,493	$669,107	$785,578	$578,563	$407,232	$931,025	$100,330	$289	$4,264,617

Note 3—Loans and Allowance for Credit Losses (continued)

The Bank recorded $40,000 in gross charge-offs, all related to a Commercial and Industrial loan originated in 2005, for the year ended December 31, 2025, and no gross charge-offs for 2024.

There were no loans that were both experiencing financial difficulty and modified during the years ended December 31, 2025 and 2024.

Note 4—Premises and Equipment

Premises and equipment consist of the following (*dollars in thousands*):

	December 31,	
	2025	2024
Land	$ 2,707	$ 2,707
Building and improvements	19,458	19,078
Equipment and furniture	5,085	4,721
	27,250	26,506
Less accumulated depreciation and amortization	(16,533)	(15,898)
	$ 10,717	$ 10,608

Depreciation and amortization expense amounted to $891,000 and $1,062,000 for the years ending December 31, 2025, and 2024, respectively. During the year ended December 31, 2025, the Bank had $13,000 in losses due to the abandonment of premises and equipment and no such losses in 2024.

Note 5—Time Deposits

As of December 31, 2025 and 2024, time deposits that meet or exceed the FDIC insurance limit of $250,000 totaled $726,285,000 and $804,620,000, respectively. Of these balances $526,218,000 and $588,002,000 were FDIC insured through a reciprocal deposit network in 2025 and 2024, respectively.

At December 31, 2025, the aggregate scheduled maturities for time deposits are as follows (*dollars in thousands*):

Years ending December 31,	
2026	$727,433
2027	34,361
2028	386
2029	64
2030	106
Thereafter	—
	$762,350

Note 6—Other Borrowings

At December 31, 2025 and 2024, other borrowings were comprised of the following *(dollars in thousands)*:

	December 31,	
	2025	2024
Federal Reserve Bank—Discount Window—Maturity in January 2026, fixed rate of 3.75%	$25,000	$ —
Federal Reserve Bank—Discount Window—Maturity in January 2025, fixed rate of 4.50%	—	50,000
	$25,000	$50,000

The Bank maintains a collateralized line of credit with the FHLB. Based on the FHLB requirements at December 31, 2025, this line provided for maximum borrowings of $1,511,725,000 of which there were no outstanding advances and $825,000,000 was utilized for letters of credit, which are used as collateral for public fund deposits. At December 31, 2024, this line provided for maximum borrowings of $1,320,781,000 of which there were no outstanding advances and $750,000,000 was utilized for letters of credit. The Bank has pledged certain loans of approximately $2,203,073,000 and $1,995,568,000 under a blanket lien arrangement to collateralize the line of credit with the FHLB as of December 31, 2025 and 2024.

The Bank maintains a collateralized line of credit with the Federal Reserve Bank of San Francisco (“FRBSF”) Discount Window secured by certain pledged loans. As of December 31, 2025 and December 31, 2024, this line provided for maximum borrowings of $1,241,068,000 and $1,098,597,000, respectively, of which $25,000,000 and $50,000,000 were outstanding. The Bank has pledged certain loans of approximately $1,785,446,000 and $1,639,893,000 to the FRBSF as of December 31, 2025 and 2024.

Other borrowings maturities over the next five years are as follows (*dollars in thousands*):

Years ending December 31,	
2026	$25,000
2027	—
2028	—
2029	—
2030	—
Thereafter	—
	$25,000

Note 7—Leases

The Bank enters leases in the normal course of business primarily for branch offices, an administrative facility, a loan production office and land. The Bank’s leases have remaining terms ranging from one to seven years, some of which have renewal options to extend the lease between five and fifteen years. The Bank’s leases do not include residual value guarantees or covenants. All the Bank’s leases are classified as operating leases.

The Bank includes lease extension and termination options in the lease term if, after considering relevant economic factors, it is reasonably certain the Bank will exercise the option. In addition, the Bank has elected not to include any non-lease components in its real estate leases as part of the associated lease component. The Bank has also elected not to recognize leases with original lease terms of 12 months or less (short-term leases) on the Bank’s balance sheet.

Note 7—Leases (continued)

Leases are classified as operating or finance leases at the lease commencement date. Lease expense for operating leases and short-term leases is recognized on a straight-line basis over the lease term. Right-of-use assets represent the Bank's right to use an underlying asset for the lease term and lease liabilities represent the Bank's obligation to make lease payments arising from the lease. Right-of-use assets and lease liabilities are recognized at the lease commencement date based on the estimated present value of the lease payments over the lease term.

The Bank uses its incremental borrowing rate at lease commencement to calculate the present value of lease payments when the rate implicit in a lease is not known. The Bank's incremental borrowing rate is based on the FHLB advance rate, adjusted for the lease term and other factors. As of December 31, 2025 and 2024, the Bank's weighted average incremental borrowing rate was 2.74% for the existing operating leases, in both years.

As of December 31, 2025 and 2024, the right-of-use assets for the Bank's leases were $1,429,000 and $1,569,000, respectively, and are included in other assets on the Bank's Consolidated Balance Sheets. As of December 31, 2025 and 2024, the lease liabilities were $1,566,000 and $1,728,000, respectively, and are included in other liabilities on the Bank's Consolidated Balance Sheets.

Rental expense charged to operations for all operating leases was $578,000 and $426,000, for the years ended December 31, 2025, and 2024, respectively.

Future undiscounted lease payments for operating leases with initial terms of one year or more as of December 31, 2025 are as follows (*dollars in thousands*):

Years ending December 31,	
2026	$ 563
2027	316
2028	191
2029	180
2030	172
Thereafter	222
Total undiscounted lease payments	1,644
Less: imputed interest	(78)
Net lease liabilities	$1,566

As of December 31, 2025 and 2024, the weighted average remaining lease term for the Bank's operating leases was 4.6 years and 4.9 years, respectively.

Additionally, the Bank is the lessor on certain properties adjacent to branch offices and the administrative facility. These non-cancelable lease agreements have been accounted for as operating leases and the rental income is recognized as noninterest income in the Consolidated Statements of Operations. Rental income recognized for all operating leases was $273,000, and $263,000, for the years ended December 31, 2025, and 2024, respectively.

Note 7—Leases (continued)

Future minimum rentals to be made by the tenants by year under long-term, non-cancelable operating leases are as follows (*dollars in thousands*):

Years ending December 31,	
2026	$ 639
2027	507
2028	444
2029	447
2030	454
Thereafter	—
	$2,491

Note 8—Income Taxes

Pretax income from continuing operations is as follows (*dollars in thousands*):

	Year ended December 31, 2025
Domestic	$95,091
Foreign	—
Total	$95,091

Following is a summary of the provision for income tax expense (*dollars in thousands*):

	Years ended December 31, 2025	2024
Current tax expense		
Federal	$19,757	$20,155
State	8,493	11,378
Foreign	—	N/A
	28,250	31,533
Deferred tax (benefit) expense		
Federal	(2,136)	(902)
State	562	(375)
Foreign	—	N/A
	(1,574)	(1,277)
	$26,676	$30,256

Note 8—Income Taxes (continued)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and deferred tax liabilities are presented below (*dollars in thousands*):

	Years ended December 31,	
	2025	**2024**
Deferred tax assets		
Allowance for credit losses	$29,947	$ 33,234
Lease liability	441	550
Supplemental retirement plan expense	739	622
Unrealized losses on available-for-sale investment securities, net	851	2,830
Stock compensation	722	619
Accrued bonuses	874	904
State taxes	1,920	365
Other deferred taxable expenses	258	495
	35,752	39,619
Deferred tax liabilities		
Deferred loan costs, net	(1,000)	(1,105)
Depreciation	(679)	(618)
Federal Home Loan Bank stock dividends	(287)	(325)
Capitalization of prepaid assets	(191)	(227)
Net changes in fair value of derivatives	(5,840)	(9,998)
Right-of-use asset	(402)	(500)
Other deferred tax liabilities	(387)	(278)
	(8,786)	(13,051)
Net deferred tax assets	$26,966	$ 26,568

In assessing the realizability of deferred tax assets, management considers whether it is more likely than not that some portion or all the deferred tax assets will not be realized. The ultimate realization of deferred tax assets is dependent upon the generation of future taxable income during the periods in which those temporary differences become deductible. Management considers the scheduled reversal of deferred tax liabilities, projected future taxable income, and tax planning strategies in making this assessment. Based upon the level of historical taxable income and projections for future taxable income over the periods which the deferred tax assets are deductible, and the implementation of various tax planning strategies, if necessary, management believes it is more likely than not the Bank will realize the benefits of these deductible differences as of December 31, 2025 and 2024 and, accordingly, no valuation allowance has been provided.

Note 8—Income Taxes (continued)

The following table reconciles the statutory income tax rate to the consolidated effective income tax rate for the year ended December 31, 2025 (*dollars in thousands*):

	Year Ended December 31, 2025	
	$	**%**
Federal statutory income tax	$19,969	21.0%
State income tax rate, net of federal income tax effect	7,027	7.4
Effect of:		
Tax credits	32	0.1
Nontaxable or nondeductible items	(141)	(0.2)
Other items, net	(211)	(0.2)
	$26,676	28.1%

State taxes in California made up the majority (greater than 50 percent) of the state tax effect.

The following table reconciles the statutory income tax rate to the consolidated effective income tax rate for the year ended December 31, 2024:

	Year Ended December 31
	2024
Federal statutory income tax	21.0%
State income tax rate, net of federal income tax effect	8.4
Effect of:	
Low income housing tax credits	(0.2)
Bank owned life insurance	(0.1)
Excess tax benefit from restricted share awards vesting	(0.1)
Tax exempt interest	—
Other items, net	0.2
	29.2%

Income taxes paid during the year ended December 31, 2025 were as follows (*dollars in thousands*):

	Year Ended December 31
	2025
Federal	$18,610
State	
California	8,610
All other states	367
Foreign	—
	$27,587

There were no other tax jurisdictions outside of California where income taxes paid were greater than or equal to five percent of total income taxes paid.

There were no unrecognized tax benefits as of December 31, 2025 and 2024.

Note 8—Income Taxes (continued)

The Bank and its subsidiaries are subject to U.S. federal income tax as well as income tax from several states, primarily the state of California. The Bank is no longer subject to examination by federal taxing authorities for years before 2022 and by state taxing authorities for years before 2021. The Bank does not believe that there are tax jurisdictions in which the outcome of unresolved issues or claims is likely to be material to the Bank's financial position, cash flow or results of operations. The Bank further believes that adequate provisions have been made for all income tax uncertainties. Additionally, the total amount of interest and penalties recorded in the Consolidated Statements of Operations for the years ended December 31, 2025, and 2024 was also not material.

Note 9—Fair Value Measurements

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a reporting entity's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Bank used the following methods and significant assumptions to estimate fair value:

Investment securities, available for sale

The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). Examples of such instruments, which would generally be classified within level 2 of the valuation hierarchy, included certain collateralized mortgage and debt obligations, agency preferred stock and certain high-yield debt securities. For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). The fair values of level 3 investment securities are determined by the Bank's Accounting department, which reports to the Chief Financial Officer. Assumptions such as cash flows, loss severities, volatility, credit spread and optionality are reviewed as necessary. During times when trading is more liquid, broker quotes are used (if available) to validate the model. The Bank's evaluations are based on market data and the Bank employs combinations of these approaches for its valuation methods depending on the asset class.

Derivatives

The fair values of derivatives are based on valuation models using observable market data as of the measurement date (Level 2). The derivatives are traded in an over-the-counter market where quoted market prices are not always available. Therefore, the fair values of derivatives are determined using quantitative models that utilize multiple market inputs. The inputs will vary based on the type of derivative, but could include interest rates, prices and indices to generate continuous yield or pricing curves, prepayment rates, and volatility factors to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third-party pricing services.

Note 9—Fair Value Measurements (continued)

Assets and Liabilities Measured at Fair Value on a Recurring Basis

Assets and liabilities measured at fair value on a recurring basis are summarized below (*dollars in thousands*):

Fair Value Measurements at December 31, 2025	Carrying Value	Level 1	Level 2	Level 3
Assets:				
Investment securities, available-for-sale				
U.S. Treasury securities	$341,177	$ —	$341,177	$ —
U.S. government sponsored entities and agency securities	111,297	—	111,297	—
Municipal securities	4,876	—	4,876	—
Mortgage-backed securities—residential	52,351	—	52,351	—
Mortgage-backed securities—commercial	84,908	—	84,908	—
Collateralized mortgage obligations	36,450	—	36,450	—
Corporate debt securities	37,971	—	37,971	—
Asset-backed securities	6,368	—	6,368	—
Total investment securities, AFS	$675,398	$ —	$675,398	$ —
Derivatives—Interest rate swaps	$ 59,282	$ —	$ 59,282	$ —

Fair Value Measurements at December 31, 2024	Carrying Value	Level 1	Level 2	Level 3
Assets:				
Investment securities, available-for-sale				
U.S. Treasury securities	$374,756	$ —	$374,756	$ —
U.S. government sponsored entities and agency securities	172,012	—	172,012	—
Municipal securities	5,485	—	5,485	—
Mortgage-backed securities—residential	61,313	—	61,313	—
Mortgage-backed securities—commercial	3,236	—	3,236	—
Collateralized mortgage obligations	38,410	—	38,410	—
Corporate debt securities	23,991	—	23,991	—
Asset-backed securities	8,120	—	8,120	—
Total investment securities, available-for-sale	$687,323	$ —	$687,323	$ —
Derivatives—Interest rate swaps	$128,725	$ —	$128,725	$ —

There were no transfers between Level 1 and Level 2 during 2025 and 2024.

Assets Measured at Fair Value on a Non-Recurring Basis

There were no assets measured at fair value on a non-recurring basis as of December 31, 2025 or December 31, 2024.

Note 9—Fair Value Measurements (continued)

Fair Value of Financial Instruments

The carrying amounts and estimated fair values of financial instruments not carried at fair value, at December 31, 2025 and December 31, 2024 are as follows (*dollars in thousands*):

	Fair Value Measurements at December 31, 2025 Using:				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	$ 477,471	$477,471	$ —	$ —	$ 477,471
Loans, net	4,475,855	—	—	4,337,949	4,337,949
Accrued interest receivable	23,208	269	5,405	17,534	23,208
Financial liabilities					
Noninterest-bearing demand deposits, money market accounts, NOW accounts and savings accounts	$4,385,980	$ —	$4,385,980	$ —	$4,385,980
Time deposits	762,350	—	762,370	—	762,370
Other borrowings	25,000	—	25,000	—	25,000
Accrued interest payable	5,152	—	5,152	—	5,152
Cash collateral held related to derivatives	59,090	59,090	—	—	59,090

	Fair Value Measurements at December 31, 2024 Using:				
	Carrying Amount	Level 1	Level 2	Level 3	Total
Financial assets					
Cash and cash equivalents	$ 148,666	$148,666	$ —	$ —	$ 148,666
Loans, net	4,065,994	—	—	3,870,803	3,870,803
Accrued interest receivable	23,390	68	7,511	15,811	23,390
Financial liabilities					
Noninterest-bearing demand deposits, money market accounts, NOW accounts and savings accounts	$3,605,983	$ —	$3,605,983	$ —	$3,605,983
Time deposits	848,546	—	848,245	—	848,245
Other borrowings	50,000	—	49,998	—	49,998
Accrued interest payable	4,925	—	4,925	—	4,925
Cash collateral held related to derivatives	130,050	130,050	—	—	130,050

Note 10—Commitments and Contingencies

Off-Balance-Sheet Financial Instruments

In the ordinary course of business, the Bank enters certain transactions, which involve financial instruments with off-balance-sheet risk. These instruments include commitments to extend credit and standby letters of credit and are not reflected in the accompanying Consolidated Balance Sheets.

Note 10—Commitments and Contingencies (continued)

These transactions may involve, to varying degrees, credit and interest rate risk in excess of the amount, if any, recognized in the Consolidated Balance Sheets. The Bank's off-balance-sheet credit risk exposure is the contractual amount of commitments to extend credit and standby letters of credit. At December 31, 2025, commitments to extend credit totaled $474,819,000 and standby letters of credit totaled $31,421,000. At December 31, 2024, commitments to extend credit totaled $408,625,000 and standby letters of credit totaled $27,414,000. The Bank applies the same credit standards to these contracts as it uses in its lending process. The fair values associated with commitments to extend credit and standby letters of credit were not material at December 31, 2025 and 2024.

Commitments to extend credit are agreements to lend to customers. These commitments have specified interest rates and generally have fixed expiration dates but may be terminated by the Bank if certain conditions of the contract are violated. Although currently subject to drawdown, many of these commitments are expected to expire or terminate without funding. Therefore, the total commitment amounts do not necessarily represent future cash requirements. Collateral held relating to these commitments varies. For secured loans, it generally includes real estate, accounts receivable and personal property.

Standby letters of credit are conditional commitments issued by the Bank to guarantee the performance of a customer to a third party. Credit risk arises in these transactions from the possibility that a customer may not be able to repay the Bank upon default of performance. Collateral held for standby letters of credit is based on an individual evaluation of each customer's credit worthiness but may include real estate and cash.

Litigation

Loss contingencies, including claims and legal actions arising in the ordinary course of business are recorded as liabilities when the likelihood of a loss is probable and an amount or range of loss can be reasonably estimated. Management does not believe there now are such matters that will have a material effect on the financial statements.

Note 11—Regulatory Matters

Dividend Limitations

Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to shareholders. Under these regulations, the amount of dividends that may be paid in any calendar year is limited to the current year's net profits, combined with the retained net profits of the preceding two years, subject to the capital requirements described below. As of December 31, 2025, $195,543,000 of retained earnings is available to pay dividends, outside of other capital constraints.

Capital Guidelines

The Bank is subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. Failure to meet capital requirements can initiate regulatory action. Accumulated other comprehensive income is not included in computing regulatory capital. Management believes as of December 31, 2025 and 2024, the Bank met all capital adequacy requirements to which it is subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized,

Note 11—Regulatory Matters (continued)

although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as is asset growth and expansion, and capital restoration plans are required. At December 31, 2025 and 2024, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution's category.

The Bank has a formal dividend policy, and dividends are issued solely at the discretion of the Bank's Board of Directors subject to compliance with regulatory requirements. There are certain regulatory limitations on the payment of cash dividends by banks as discussed above.

Presented below are the Bank's actual and required capital amounts and ratios as of December 31, 2025 and 2024 (dollars in thousands).

	Actual		Required For Capital Adequacy Purposes		Required To be Well Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2025						
Total Capital (to risk-weighted assets)	$595,625	14.0%	$339,880	8.0%	$424,850	10.0%
Tier I Capital (to risk-weighted assets)	$541,861	12.8%	$254,910	6.0%	$339,880	8.0%
Common Tier 1 (CET1)	$541,861	12.8%	$191,183	4.5%	$276,153	6.5%
Tier I Capital (to average assets)	$541,861	9.4%	$230,590	4.0%	$288,237	5.0%

	Actual		Required For Capital Adequacy Purposes		Required To be Well Capitalized under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
As of December 31, 2024						
Total Capital (to risk-weighted assets)	$530,602	13.5%	$314,014	8.0%	$392,518	10.0%
Tier I Capital (to risk-weighted assets)	$480,854	12.3%	$235,511	6.0%	$314,014	8.0%
Common Tier 1 (CET1)	$480,854	12.3%	$176,633	4.5%	$255,137	6.5%
Tier I Capital (to average assets)	$480,854	9.1%	$210,891	4.0%	$263,613	5.0%

Note 12—Benefit Plans

401(k) Plan

The Bank has a 401(k) benefit plan for eligible employees. The 401(k) Plan permits each eligible employee to contribute up to 100% of compensation on a pre-tax basis, to a maximum amount allowed by law per year. The Bank provides a matching contribution in the amount equal to 50% of the participant's salary deferrals, up to 10% of the participant's compensation. The Bank's 401(k) Plan expense was $680,000 and $673,000 for the years ended December 31, 2025, and 2024, respectively.

Supplemental Retirement Plan

The Bank has a Supplemental Retirement Plan that is a non-qualified salary continuation plan for certain senior officers of the Bank. Under the plan, the Bank has agreed to pay these officers

Note 12—Benefit Plans (continued)

retirement benefits for a fifteen-year period after their retirement so long as they meet certain length of service vesting requirements. A liability is accrued for the obligation under this plan and it is unsecured and unfunded. Supplemental Retirement Plan expense totaled $205,000 and a reversal of expense of $63,000, for the years ended December 31, 2025, and 2024, respectively, resulting in a liability of $2,159,000 and $1,954,000 as of year-end 2025 and 2024, which is included in other liabilities on the Consolidated Balance Sheets. The discount rates used to value the plan liability at December 31, 2025 and 2024 were 6.29% and 6.36%, respectively. At December 31, 2025, and 2024, the plan had three participants, respectively. During 2025, there were no changes to participants. During 2024, one participant left and one participant was added to the plan. The Bank has purchased insurance as a cost recovery of the Bank's retirement obligations. The Bank records a liability for the post-employment benefit obligations under its split dollar life insurance arrangements. The accrued obligation was $465,000 and $445,000 as of December 31, 2025 and 2024, respectively.

Note 13—Stock Based Compensation

Stock Option Plan

The Bank has a Non-Qualified Stock Option Plan ("the Option Plan"), whereby officers or directors of the Bank may be awarded stock options. The Option Plan is currently dormant. There were no options granted during the years ended December 31, 2025, and 2024 and no options outstanding as of December 31, 2025 and 2024. Option awards are granted with an exercise price equal to the market price of the Bank's common stock at the date of grant and could have contractual terms which ranged from 5 to 10 years. The fair value of each option award is estimated on the date of grant using a Black-Scholes model.

Restricted Stock Plan

The Bank has a Restricted Stock Plan ("RSP") to provide for the issuance of Bank shares to selected key employees and directors. The stock to be awarded under the RSP shall consist of shares of the Bank's common stock and may be authorized but unissued shares or reacquired shares, or both. Owners of the stock awards shall have all of the rights of a shareholder including the right to vote the shares and to all dividends, cash or stock. Compensation expense will be recognized over the vesting period of the awards based on the fair value of the stock at issue date. Fair value of the stock at issue date is determined using the most recent trading information. RSP shares issued prior to October 1, 2024 vest in 20% increments on each anniversary date and fully vest on the fifth anniversary of the grant date. RSP shares issued on or after October 1, 2024 vest in 33.3% increments on each anniversary date and fully vest on the third anniversary of the grant date. Commencing in 2023, RSP awards to directors vest over one year. Certain employees and directors' RSP awards vest over a shorter period due to their retirement age, presumed to be 65 years old in the RSP. An aggregate of 2,000,000 shares of the Bank's common stock has been authorized and available for awards under the plan as of December 31, 2025. Total shares issuable under the plan and authorized for awards are 538,830 and 620,530 at December 31, 2025 and 2024, respectively. During the years ended December 31, 2025 and 2024, 105,450 and 147,190 shares were granted, respectively.

A summary of changes in the Bank's non-vested shares for the year follows:

Non-vested Shares	Shares	Weighted Average Grant Date Fair Value
Non-vested at January 1, 2025	237,460	$22.77
Granted	105,450	$32.52
Vested	(110,170)	$25.14
Forfeited	(2,290)	$26.11
Non-vested at December 31, 2025	230,450	$26.07

Note 13—Stock Based Compensation (continued)

Total stock compensation cost related to the RSP recorded in the Consolidated Statements of Operations for 2025, and 2024 was $2,359,000 and $1,978,000, respectively. In addition to the 2025 stock compensation cost, the Bank has accrued $822,000 of incentive compensation as of December 31, 2025 that has been paid in common stock in February 2026. As of December 31, 2025 and 2024, there was $4,507,000 and $4,292,000, respectively, of total unrecognized compensation cost related to non-vested shares granted under the Plan. As of December 31, 2025, the total unrecognized compensation cost is expected to be recognized over a weighted-average period of 2.3 years. The total fair value of shares vested during the years ended December 31, 2025, and 2024 was $3,850,000 and $3,002,000, respectively.

Restricted stock granted to employees may be net settled in a cashless exercise by a reduction in the number of shares otherwise deliverable upon vesting in satisfaction of the applicable tax withholding requirements. During the year ended December 31, 2025, the Bank withheld 21,460 shares totaling $738,000 for cashless exercises. During the year ended December 31, 2024, the Bank withheld 22,170 shares totaling $581,000 for cashless exercises. Shares withheld under net settlement arrangements are available for future grants.

Note 14—Related Party Transactions

The Bank, in the ordinary course of business, has had loan and deposit transactions with certain directors, officers, principal shareholders and their related entities. As of December 31, 2025 and 2024, there were $585,000 and $359,000, respectively, in loans outstanding. There were $250,000 of undisbursed commitments to directors, officers and their related entities as of December 31, 2025 and 2024. Deposits from certain directors, senior officers, principal shareholders and their related entities were $1,126,000 and $1,264,000 as of December 31, 2025 and 2024, respectively.

Note 15—Derivatives

The Bank utilizes interest rate derivative agreements as part of its asset liability management strategy to help manage its interest rate risk position. The notional amount of the derivative agreements does not represent amounts exchanged by the parties. The amount exchanged is determined by reference to the notional amount and the other terms of the individual interest rate swap and interest rate cap agreements.

Interest Rate Swaps Designated as Fair Value Hedges: Interest rate swap agreements were commenced in order to hedge interest rate risk related to the loan portfolio. For each existing interest rate swap agreement, the Bank will pay a fixed rate and receive a variable rate tied to the Secured Overnight Financing Rate (“SOFR”). At December 31, 2025 and 2024, summary information of the interest rate swaps designated as fair value hedges is as follows (*dollars in thousands*):

	2025	2024
Current notional amount:	$2,106,000	$1,892,000
Weighted average pay rates:	2.59%	2.47%
Weighted average receive rates:	3.88%	4.54%
Weighted average maturity:	4.3 years	4.8 years
Fair value of interest rate swaps:	$ 46,227	$ 105,265

The fair values of the interest rate swaps at December 31, 2025 and 2024 are reflected on the Consolidated Balance Sheets as “Derivatives”. As of December 31, 2025 and 2024, the fair value adjustment of the hedged item was $(38,540,000) and $(96,460,000), respectively, reflected in net loans. As of December 31, 2025 and 2024, the amortized cost basis of the closed portfolios used in these hedging relationships was $3,292,886,000 and $3,043,854,000. As of December 31, 2025 and 2024, the amount that represents the hedged items or the designated portfolio layer, was

Note 15—Derivatives (continued)

$2,680,126,000 and $2,283,570,000. As of December 31, 2025, the Bank expects the fair value hedges to remain effective during the remaining terms of the swaps.

As of December 31, 2025 and 2024, the Bank has thirteen and seven fair value hedges which were designated as fair value hedges with a non-zero interest rate swap value at the date of designation. These swaps were entered into as an economic hedge. For the fair value hedges designated in 2025, at the time of designation, these six swaps had a net gain of $250,000, which had been recognized as noninterest income in 2025 or before. This gain will be systematically reversed through the Consolidated Statement of Operations as a component of interest income over the remaining life of these swaps.

The following table reflects the fair value hedges included in the Consolidated Statement of Operations as of December 31, 2025 and 2024 (*dollars in thousands*):

Interest rate contracts	Location	2025	2024
Change in fair value on interest rate swaps	Interest and fees on loans	$(59,288)	$ 14,820
Change in fair value of pool of loans—hedged items	Interest and fees on loans	$ 57,920	$(15,941)

<u>Interest Rate Swaps Not Designated as Hedges</u>: The Bank has entered into interest rate swap agreements in order to hedge interest rate risk related to the loan portfolio, but they did not qualify as hedges for accounting purposes at swap inception. Therefore, changes in fair value were reported in the Consolidated Statement of Operations, as a component of noninterest income; the Bank recognized loss of $10,155,000 for the year ended December 31, 2025 and a gain of $1,548,000 for the year ended December 31 2024. For these interest rate swap agreements, the Bank pays a fixed rate and receives a variable rate of SOFR. At December 31, 2025 and 2024, summary information of the interest rate swaps not designated as hedges is as follows (dollars in thousands):

	2025	2024
Current notional amount:	$346,500	$199,833
Weighted average pay rates:	2.62%	1.74%
Weighted average receive rates:	3.90%	4.59%
Weighted average maturity:	6.9 years	6.9 years
Fair value of interest rate swaps:	$ 13,055	$ 23,460

The fair value of the interest rate swaps not designated as hedges at December 31, 2025 and 2024 is reflected on the Consolidated Balance Sheets as "Derivatives" and the corresponding change to income recorded in noninterest income.

Prior to 2023, the Bank had designated certain interest rate swap agreements as cash flow hedges of certain index based public deposits. These swaps were determined to be effective at the date of designation. Therefore, the fair value of the swaps was recorded in other assets with changes in fair value recorded in other comprehensive income (loss).

As of December 31, 2022, the Bank expected the hedges to remain effective during the remaining terms of the swaps. However, during the first quarter of 2023, the relationship between the benchmark interest rate of the swaps and public deposit index was no longer deemed to be highly correlated. As such, the hedged relationship was determined to no longer be effective and these swaps were treated as undesignated hedges. Related to these swaps, as of December 31, 2025 and 2024, there were notional amounts of $150,000,000 and there were balances of $8,747,000 and $10,489,000, respectively, included in accumulated other comprehensive income. This amount will be recorded into earnings over the remaining life of the swaps, which has a weighted average maturity of 4.9 years.

Note 16—Earnings per Common Share (EPS)

For the years ended December 31, 2025 and 2024, the following reconciles the numerator and denominator used in the calculation of the earnings per common share (*dollars in thousands except for per share amounts*):

	2025	2024
EPS Calculation		
Net income available to common shareholders	$ 68,415	$ 73,399
Weighted average common stock outstanding	14,343,953	14,464,040
Add: Participating securities	240,362	246,630
Weighted average shares outstanding for EPS	14,584,315	14,710,670
EPS	$ 4.69	$ 4.99

Note 17—Segment Information

The Bank's reportable segment is determined by the Chief Executive Officer, who is the designated chief operating decision maker (the "CODM"). The Chief Executive Officer along with others in the Bank's executive management evaluates performance and allocates resources based upon analysis of the Bank as one operating segment or unit. The activities of the Bank comprise one reportable segment, "Banking Operations." All of the Bank's activities are interrelated, and each activity is dependent and assessed based on the manner in which it supports the other activities of the Bank. All the consolidated assets are attributable to the Banking Operations segment.

The CODM is provided with the Bank's Consolidated Balance Sheets and Statements of Operations and evaluates the Bank's operating results based on consolidated net interest income, noninterest income, noninterest expense, and net income, which can be seen on the Consolidated Statements of Operations. These results are used to measure the Bank against its competitors. Other significant non-cash items assessed by the CODM are depreciation, amortization and provision for credit losses consistent with the reporting on the Consolidated Statements of Cash Flows. Expenditures for long-lived assets are also evaluated and are consistent with the reporting on the Consolidated Statements of Cash Flows. Strategic plans and budget to actual monitoring are evaluated as one reportable segment. The actual results are used in assessing performance of the segment and in establishing compensation. All revenues are derived from banking operations within the United States, and for the years ended December 31, 2025 and December 31, 2024, there was no customer that accounted for more than 10% of the Bank's consolidated revenue.

Accounting policies of the Banking Operations segment are the same as those described in Note 1.

2,700,000 Shares

River City Bank

Common Stock

OFFERING CIRCULAR

Joint Book-Running Managers

Raymond James

Keefe, Bruyette & Woods
A Stifel Company

Co-Managers

D.A. Davidson & Co.

Stephens Inc.

August 5, 2026

Through and including August 30, 2026 (25 days after the date of this offering circular), all dealers that effect transactions in our common stock, whether or not participating in this offering, may be required to deliver an offering circular. This delivery requirement is in addition to the obligation of dealers to deliver an offering circular when acting as underwriters and with respect to their unsold allotments or subscriptions.