



RiverBank Holding Company reports net interest income increase of 13% for 2023 compared to 2022. Strength in the balance sheet was highlighted by increased interest-bearing assets, strong liquidity, excess capital and improving book value per share.

SPOKANE, WA / January 25, 2024 / RiverBank Holding Company (OTC Pink: RBNK), the parent company of RiverBank, is pleased to announce its 2023 full year and fourth quarter financial results.

RiverBank Holding Company (Company) today reported financial results (unaudited) for the fourth quarter and year ended December 31, 2023.

Income Statement

Net income after tax for the year ended December 31, 2023, totaled \$1,209,733 or \$1.09 per fully diluted share, compared to \$1,630,133 or \$1.69 per share for the year ended December 31, 2022. While the company, like all banking organizations, was impacted by the banking industry disruptions earlier in the year, core operating income was in line with budget for the 4th quarter.

Pre-tax income for the year ended December 31, 2023 totaled \$2,117,809 when excluding the loan loss provision, and was favorable compared to \$2,047,575 recorded for the same period one year earlier. The provision expense in 2023 was a combination of deterioration of two credit relationships in the third quarter of 2023 plus the new standard requiring life of loan expected losses in the current period. The Company is pleased to report a strong performing loan portfolio at year end.

Net income after tax for the three-month period ended December 31, 2023, totaled \$356,283 or \$0.32 per fully diluted share, compared to \$524,042 or \$0.47 per share for the three months ended December 31, 2022. Net interest income between the two periods was essentially the same, even though results from 2022 benefited from lower deposit rates prior to significant and rapid interest rate increases in the early part of 2023. The Company continues to manage the interest income and expense mix carefully to achieve positive earnings and grow assets. Significant focus also continued to be placed on minimizing operating expenses, while still pushing forward with investment in technology and digital tools that enhance our customer's banking experience. This was evident in lower salaries and employee benefits for the three months ended December 31, 2023, when compared to the same period in 2022. The Company has been successful at running leaner with lower employee head count as efficiencies in operations have been gained.

Despite elevated cost of funds in a very competitive deposit environment, net interest income increased by 13% between 2022 and 2023 and loan repricing in the foreseeable future has the potential to produce further positive results for the Company's net interest income outlook. The Company emphasizes keeping wholesale and borrowing liquidity sources at a minimum and keeping deposit costs at a manageable level. It has managed to do that throughout 2023, as evidenced by minimal borrowings outstanding as of the end of the year in an environment where many across the industry have had to turn to higher cost borrowing sources. We expect this to be an ongoing challenge across the industry throughout 2024 but one which we are well prepared to face.



Balance Sheet

Total assets were \$241.1 million at December 31, 2023, a slight increase of \$2.7 million compared to December 31, 2022. Total assets of the Company have remained consistent by design, but changes can be seen between periods in the composition of the balance sheet, with a focus of putting lower yielding cash balances to work to provide a greater return for the Company. Total net loans grew by \$15.8 million, 9% since December 31, 2022, and investments increased by \$2.5 million over the same period. Both have provided interest rate range diversity on earning assets along with a noticeable increase in interest income. As a result of the investment in these higher earning assets cash balances decreased between years, but the balance sheet was still more than sufficiently liquid at year-end with those balances totaling \$15.9 million.

On balance sheet deposit balances decreased slightly, \$4.3 million, or 2% since December 31, 2022. This minimal decrease shows a positive result for the Company compared to deposit attrition experienced by peers during 2023. Institutions within our asset size range have experienced more pronounced deposit decay as some deposit customers moved funds to larger institutions. RiverBank proactively made deposit retention and growth a focus early in the rate hiking cycle and offered our customers competitive rates even though it meant higher cost of funds in the short run for the Company. That approach improved our ability to maintain deposits throughout 2023. The Company also proactively entered into custodial deposit relationships in 2022 that allowed the Company to offer customers full FDIC insurance coverage on deposits well in excess of standard FDIC insurance limits. This kept deposit balances at RiverBank versus being moved to larger institutions, while providing our customers an acceptable return on their funds. Regardless of that preliminary success, growth of the deposit customer base and relationships continues to be a primary focus for the Company and will be for the foreseeable future.

Borrowings at December 31, 2023 were \$5 million, a variable rate advance from the Federal Home Loan Bank of Des Moines that matures in May, 2024. The Company continues to be in a strong primary liquidity position and has access to diverse and secure short-term funding sources that provide further liquidity if needed.

Shareholders' equity at December 31, 2023 totaled \$22.2 million, an increase of \$2.2 million compared to equity of \$20 million at December 31, 2022, providing for a strong community bank leverage ratio of 10.32% at quarter end. Net book value per share at December 31, 2023 was \$19.95 per share vs \$18.17 per share at December 31, 2022, an increase of 9.80% over the period. In addition to earnings the increased shareholders' equity benefitted from improved Accumulated Other Comprehensive Income related to unrealized losses on Available-For-Sale securities. Such losses on interest bearing investments should always be recouped unless the investments are sold before expiration.

RiverBank Holding Company, parent company of RiverBank, is headquartered in Spokane, WA. RiverBank is a Washington State chartered commercial bank with one physical branch in Spokane.

For more information, visit www.riverbankonline.com or contact Mike Wilson at 509-744-6900.



Financial results reported in this document are preliminary. Final financial results and other disclosures will be reported in our Audited Financial Statements for the year ended December 31, 2023, and may differ materially from the results and disclosures in this document due to, among other things, the completion of final review procedures, the occurrence of subsequent events, or the discovery of additional information.

Balance Sheet Overview				
(Unaudited)				
	December 31, 2023		December 31, 2022	
Assets:				
Cash and due from banks	\$	15,946,177	\$	31,176,193
Investments		36,847,365		34,310,559
Net loans		184,618,756		168,865,506
Other assets		3,684,071		4,076,827
Total assets	\$	241,096,369	\$	238,429,085
Liabilities and Shareholders' Equity:				
Total deposits	\$	212,184,960	\$	216,517,773
Borrowings		5,000,000		-
Other liabilities		1,759,472		1,914,530
Shareholders' Equity		22,151,937		19,996,782
Total liabilities and shareholders' equity	\$	241,096,369	\$	238,429,085

Income Statement Overview				
(Unaudited)				
	For the three months ended		Year-to-Date	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Interest income	\$ 3,424,076	\$ 2,554,349	\$ 12,743,000	\$ 8,487,978
Interest expense	1,086,104	206,234	3,620,699	405,092
Net interest income	2,337,972	2,348,115	9,122,301	8,082,886
Loan loss provision	81,000	-	585,852	-
Noninterest income	84,952	158,936	362,828	293,477
Salaries and employee benefits	1,150,963	1,281,217	4,827,762	4,362,418
Occupancy expense	114,172	113,525	467,137	453,871
Other noninterest expense	626,232	448,584	2,072,421	1,512,499
Income before income taxes	450,557	663,725	1,531,957	2,047,575
Income tax expense ⁽¹⁾	94,274	139,683	322,224	417,442
Net income	\$ 356,283	\$ 524,042	\$ 1,209,733	\$ 1,630,133
Basic EPS	\$ 0.33	\$ 0.56	\$ 1.11	\$ 1.74
Diluted EPS	\$ 0.32	\$ 0.47	\$ 1.09	\$ 1.69

Performance metrics and ratios				
	For the three months ended		Year-to-Date	
	December 31, 2023	December 31, 2022	December 31, 2023	December 31, 2022
Return on average assets	0.59 %	1.04 %	0.52 %	0.81 %
Return on average equity	6.78 %	13.01 %	5.77 %	9.40 %
Net interest margin ⁽²⁾	3.91 %	4.35 %	3.90 %	4.04 %
Efficiency ratio ⁽²⁾	77.77 %	73.21 %	77.46 %	75.21 %
Community bank leverage ratio ⁽²⁾			10.32 %	10.74 %
Nonperforming assets to total assets			0.00 %	0.13 %
Nonperforming assets to tier 1 capital			0.00 %	1.35 %

⁽²⁾ Denotes bank-only ratios



Some of the statements in this press release contain, among other things, certain forward-looking statements or statements of future expectations based on currently available information, within the meaning of the Private Securities Litigation Reform Act of 1995. Forward-looking statements often include, without limitation, statements preceded by, followed by, or that include the words "believe", "expect", "anticipate", "intend", "estimate", "assume", "outlook", "will", "should", "would", "may", "could", "plan", or similar expressions. Such statements are naturally subject to known and unknown risks, uncertainties and other factors, some of which are beyond our control. Factors such as the development of general economic conditions, future market conditions, unusual catastrophic loss events, changes in the capital markets and other circumstances may cause the actual events or results to be materially different from those anticipated by such statements. Forward-looking statements were based on information, plans, and estimates as of the date of this report, and RiverBank does not assume any obligation to update any forward-looking statements to reflect changes in underlying assumptions or factors, new information, future events or other changes after the date the forward-looking statements are made, except as required by law. RiverBank does not make any representation or warranty, express or implied, as to the accuracy, completeness, or updated status of such statements.

