



River Valley Community Bancorp Announces 2nd Quarter Results (Unaudited)

Yuba City, California, July 16, 2024 – River Valley Community Bancorp (OTC markets: RVCB) with its wholly owned subsidiary, River Valley Community Bank (collectively referred to as the “Bank”), today announced financial results for the quarter ended June 30, 2024.

Consolidated financial highlights:

- Net income for the quarter ended June 30, 2024, totaled \$945,000 or \$0.30 per diluted share compared to \$1.0 million or \$0.32 per diluted share for the quarter ended March 31, 2024, and \$1.4 million or \$0.45 per diluted share for the quarter ended June 30, 2023.
- Net interest income totaled \$4.2 million for the quarter ended June 30, 2024, compared to \$4.3 million for the quarter ended March 31, 2024, and \$4.7 million for the quarter ended June 30, 2023.
- Total assets ended the quarter at \$613.5 million as of June 30, 2024, compared to \$598.9 million as of March 31, 2024, and \$580.1 million as of June 30, 2023.

Selected Consolidated Financial Information - Unaudited (dollar amounts in thousands, except per share data)

	As of				
	Jun 30, 2024	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023
Total investment securities	\$ 201,511	\$ 208,698	\$ 219,037	\$ 216,031	\$ 219,994
Total loans, gross	298,742	294,922	295,307	284,553	277,180
Allowance for credit losses	(4,260)	(4,260)	(4,260)	(4,120)	(4,010)
Total assets	613,479	598,876	581,813	588,502	580,124
Total deposits	521,047	507,971	532,048	543,219	534,430
Borrowings	40,000	40,000	-	-	-
Total shareholders' equity	48,266	47,337	46,272	40,042	41,083
Loan to deposit ratio	57%	58%	56%	52%	52%
Book value per common share	\$ 15.50	\$ 15.21	\$ 14.92	\$ 12.92	\$ 13.26
Subsidiary Bank's Tier 1 leverage ratio	9.75%	10.05%	9.72%	9.70%	9.63%

Total loans were \$298.7 million as of June 30, 2024, which represents an increase of \$3.8 million or 1.3% from \$294.9 million as of March 31, 2024, and an increase of \$21.6 million or 7.8% from \$277.1 million as of June 30, 2023.

Total deposits of \$521.0 million as of June 30, 2024, represents an increase of \$13.0 million or 2.6% from \$508.0 million as of March 31, 2024, and a decrease of \$13.4 million or 2.5% from \$534.4 million as of June 30, 2023. As of June 30, 2024, the Bank had no non-performing assets.

Selected Consolidated Financial Information - Unaudited (continued)
(dollar amounts in thousands, except per share data)

	Six Months Ended		Variance	
	Jun 30,	Jun 30,	Amount	Percent
	2024	2023		
Total interest income	\$ 12,691	\$ 11,877	\$ 814	6.9%
Total interest expense	4,160	1,926	2,234	116.0%
Net interest income	8,531	9,951	(1,420)	-14.3%
Provision for loan losses	-	314	(314)	100.0%
Total noninterest income	513	463	50	10.8%
Total noninterest expense	6,357	5,529	828	15.0%
Net income	1,977	3,351	(1,374)	-41.0%
Earnings per share - basic	\$ 0.64	\$ 1.08	\$ (0.44)	-40.7%
Earnings per share - diluted	\$ 0.62	\$ 1.05	\$ (0.43)	-41.0%
Net interest margin	3.02%	3.48%	-0.47%	-13.4%
Net interest margin - tax equivalent	3.03%	3.50%	-0.47%	-13.5%
Efficiency ratio	70.17%	54.72%	15.45%	28.2%
Return on average assets	0.68%	1.15%	-0.47%	-40.7%
Return on average equity	8.46%	16.85%	-8.39%	-49.8%

Selected Consolidated Financial Information - Unaudited (continued)
(dollar amounts in thousands, except per share data)

	For the Quarter Ended				
	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Jun 30,
	2024	2024	2023	2023	2023
Total interest income	\$ 6,572	\$ 6,119	\$ 6,196	\$ 6,255	\$ 5,908
Total interest expense	2,386	1,774	1,705	1,737	1,174
Net interest income	4,186	4,345	4,491	4,518	4,734
Provision for loan losses	-	-	90	110	314
Total noninterest income	300	213	269	261	239
Total noninterest expense	3,183	3,174	2,884	2,951	2,708
Net income	945	1,032	1,287	1,272	1,428
Earnings per share - basic	\$ 0.30	\$ 0.33	\$ 0.42	\$ 0.41	\$ 0.46
Earnings per share - diluted	\$ 0.30	\$ 0.32	\$ 0.40	\$ 0.40	\$ 0.45
Net interest margin	2.89%	3.15%	3.18%	3.14%	3.39%
Net interest margin - tax equivalent	2.90%	3.16%	3.19%	3.15%	3.40%
Efficiency ratio	70.95%	69.39%	61.76%	63.15%	58.16%
Return on average assets	0.64%	0.73%	0.89%	0.87%	1.00%
Return on average equity	8.06%	8.84%	12.09%	12.18%	13.71%

Net interest income of \$4.2 million for the quarter ended June 30, 2024, is a decrease of \$159,000 or 3.7% from the quarter ended March 31, 2024, and a decrease of \$548,000 or 11.6% from the quarter ended June 30, 2023. The decrease in net interest income from the quarter ended March 31, 2024, is primarily due to an increase in the cost of funds.

CFO Kevin S. Reynolds stated, “During the quarter we experienced further net interest margin compression primarily due to the ongoing impacts of the elevated short term rate environment and interest expense associated with the Bank’s borrowings. Looking forward, assuming we experience our normal deposit seasonality in the second half of the year, we expect our borrowings will be substantially reduced, which will have a positive impact on our margins. However, in the meantime, we have been able to earn a small positive spread from the borrowings. We anticipate our margin to reach its floor in the coming quarters. The accretion in earning asset yields is beginning to accelerate and is expected to start outpacing the increases in our cost of funds.”

CEO John M. Jelavich commented, “We continued to see relatively high overnight Fed Funds rates drive higher deposit costs reducing our Bank’s profitability during the second quarter. Monetary policy set by the Federal Reserve has resulted in an inverted yield curve with Fed Funds set at nearly 5.50%. Based on recent commentary, it appears the Fed may begin reducing these rates in the latter half of the year. If this outlook holds, lower short-term rates can set the stage for margin expansion and will benefit our bank and the industry.”

“As we navigate through this rate cycle, we continue to focus on things we can control, such as delivering a desirable relationship banking experience in the markets we serve. I’m pleased with the deposit growth we experienced during the quarter, which traditionally can be a period where we see net outflows driven by agribusiness uses and tax payments. Our credit portfolio continues to perform well, and our lending pipeline has strengthened going into the latter half of the year. Despite the challenges with the current rate environment, we continue to focus on building our franchise which we believe will be well positioned as the rate cycle normalizes.” Jelavich concluded.

The Bank remains highly rated with BauerFinancial, and Depositaccounts.com and serves its customer base through its offices located at:

- 1629 Colusa Avenue, Yuba City, CA
- 580 Brunswick Rd, Grass Valley, CA
- 905 Lincoln Way, Auburn, CA
- 904 B Street, Marysville, CA
- 401 Ryland Street, Ste. 205, Reno, NV (Loan Production Office)
- 1508 Eureka Rd., Ste. 100, Roseville, CA (Loan Production Office)

The Bank offers a full suite of competitive products, services, and banking technology. For more information please visit our website at www.myrvcb.com or contact John M. Jelavich at (530) 821-2469.

Forward Looking Statements: This document may contain comments and information that constitute forward-looking statements. Forward-looking statements are subject to risks and uncertainties that could cause actual results to differ materially from those expressed in or implied by such statements. Forward-looking statements speak only as to the date they are made. The Bank does not undertake to update forward-looking statements to reflect circumstances or events that occur after the date the forward-looking statements are made.