



## River Valley Community Bancorp Announces 1<sup>st</sup> Quarter Results (Unaudited)

Yuba City, California, April 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 March 31, 2024.

### Consolidated financial highlights:

- Net income for the quarter ended March 31, 2024, totaled \$1.0 million or \$0.32 per diluted share compared to \$1.3 million or \$0.40 per diluted share for the quarter ended December 31, 2023, and \$1.9 million or \$0.61 per diluted share for the quarter ended March 31, 2023.
- Net interest income totaled \$4.3 million for the quarter ended March 31, 2024, compared to \$4.5 million for the quarter ended December 31, 2023, and \$5.2 million for the quarter ended March 31, 2023.
- Total assets ended the quarter at \$598.9 million as of March 31, 2024, compared to \$581.8 million as of December 31, 2023, and \$583.6 million as of March 31, 2023.

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

	As of				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Total investment securities	\$ 208,698	\$ 219,037	\$ 216,031	\$ 219,994	\$ 228,657
Total loans, gross	294,922	295,307	284,553	277,180	269,922
Allowance for credit losses (loans)	(4,260)	(4,260)	(4,120)	(4,010)	(3,846)
Total assets	598,876	581,813	588,502	580,124	583,556
Total deposits	507,971	532,048	543,219	534,430	538,971
Borrowings	40,000	-	-	-	-
Total shareholders' equity	47,337	46,272	40,042	41,083	40,852
Loan to deposit ratio	58%	56%	52%	52%	50%
Book value per common share	\$ 15.21	\$ 14.92	\$ 12.92	\$ 13.26	\$ 13.19
Subsidiary Bank's Tier 1 leverage ratio	10.05%	9.72%	9.70%	9.63%	8.88%

Total deposits of \$508.0 million as of March 31, 2024, represents a decrease of \$24.0 million or 4.5% from \$532.0 million as of December 31, 2023, and a decrease of \$31.0 million or 5.8% from \$539.0 million as of March 31, 2023. The quarter-over-quarter decline in deposits was primarily driven by seasonality associated with the Bank's agribusiness related deposit base in the Bank's Yuba City market, and nearly all of this outflow occurred by the middle of January.

During the first quarter, the Bank took advantage of the Federal Reserve's Bank Term Funding Program (BTFP) which concluded its operations on March 11, 2024. Under this program, borrowings carry a fixed rate and 1 year term, with the optionality to prepay at any time with no penalty. As of March 31, 2024, the Bank had \$40.0 million in borrowings under this program.

Total gross loans were \$294.9 million as of March 31, 2024, which represents a decrease of \$385,000 or 0.1% from \$295.3 million as of December 31, 2023, and an increase of \$25.0 million or 9.3% from \$269.9 million as of March 31, 2023.

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

	For the Quarter Ended				
	Mar 31, 2024	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023
Total interest income	\$ 6,119	\$ 6,196	\$ 6,255	\$ 5,908	\$ 5,968
Total interest expense	1,774	1,705	1,737	1,174	752
Net interest income	4,345	4,491	4,518	4,734	5,216
Provision for credit losses	-	90	110	314	-
Total noninterest income	213	269	261	239	225
Total noninterest expense	3,174	2,884	2,951	2,708	2,821
Net income	1,032	1,287	1,272	1,428	1,923
Earnings per share - basic	\$ 0.33	\$ 0.42	\$ 0.41	\$ 0.46	\$ 0.62
Earnings per share - diluted	\$ 0.32	\$ 0.40	\$ 0.40	\$ 0.45	\$ 0.61
Net interest margin	3.15%	3.18%	3.14%	3.39%	3.71%
Net interest margin - tax equivalent	3.16%	3.19%	3.15%	3.40%	3.74%
Efficiency ratio	69.39%	61.76%	63.15%	58.16%	51.77%
Return on average assets	0.73%	0.89%	0.87%	1.00%	1.29%
Return on average equity	8.84%	12.09%	12.18%	13.71%	20.30%

Net interest income of \$4.3 million for the quarter ended March 31, 2024, is a decrease of \$146,000 or 3.3% from the quarter ended December 31, 2023, and a decrease of \$871,000 or 16.7% from the quarter ended March 31, 2023. The decrease in net interest income from the quarter ended December 31, 2023, is primarily due to an increase in the cost of funds and the reduction in deposit levels. As of March 31, 2024, the Bank had no non-performing assets.

CFO Kevin S. Reynolds stated, “Prior to its expiration on March 11<sup>th</sup>, the Bank evaluated the Federal Reserve’s Bank Term Funding Program and decided to utilize this program drawing down \$40 million. The net cost of holding these funds in cash on our balance sheet is extremely low, equating to about 5 basis points on an annualized basis, and we see considerable value in the optionality to prepay anytime, with no penalty. In keeping with our historic seasonal tax and agribusiness related deposit outflow, we anticipate our deposit levels to bottom between April and the summer months, before building into year-end. The borrowings supplement our existing on-hand liquidity and reflect an additional near-term liquidity buffer, if needed, for us to meet the growing loan demand that we are now seeing in our pipeline.”

“Over the past year, the Bank has seen a trend with the increasing efficiency ratio. The numerator of this ratio primarily reflects non-interest expense which has increased, by \$350 thousand, as a function of our expansion into Roseville, general increases in payroll and related costs, as well as some non-recurring costs experienced in the first quarter 2024. The denominator of the ratio is our net interest income, which has declined, by \$870 thousand, over the past year due to market driven funding costs. For these reasons, the efficiency ratio can be noisy in times like we are experiencing but we believe it has likely peaked for the year.” Reynolds concluded.

CEO John M. Jelavich stated, “Our bank earned \$1.0 million in after-tax profit during the first quarter which was in line with our expectations. We entered 2024 with an operating plan that we felt conservatively anticipated three FOMC rate decreases in 2024 when the market, at that time, was expecting six rate reductions. Over the past several weeks, stronger signs of inflation have led to increased uncertainty over the course of Fed actions this year. The banking industry, and our Bank, are heavily influenced by the actions of the Federal Reserve which has dramatically increased the Federal Funds rate

from virtually zero 24 months ago, to 5.25-5.50%. This has caused dislocation as some deposits have left the industry seeking yield in alternative investments while also driving up deposit costs, which pressures net interest income and earnings. The longer the Fed Funds rate remains elevated, the longer these pressures will persist.”

Jelavich continued, “While we have been impacted by these factors, we continue to believe that our strong liquidity and capital position will enable us to continue to meet the deposit and lending needs of our communities while other institutions may pare back their activities.”

“Despite the present uncertainty, we believe our ability to deliver for our customers during these times and investing in growth will further strengthen our market position for when the rate cycle shifts.” 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, 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](http://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.*