



River Valley Community Bancorp Announces 4th Quarter and Annual Results (Unaudited)

Yuba City, California, January 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 and year ended December 31, 2023.

Consolidated financial highlights:

- Net income for the quarter ended December 31, 2023, totaled \$1.3 million or \$0.40 per diluted share compared to \$1.3 million or \$0.40 per diluted share for the quarter ended September 30, 2023, and \$2.4 million or \$0.75 per diluted share for the quarter ended December 31, 2022. Net income for the year ended December 31, 2023, was \$5.9 million or \$1.85 per diluted share, which decreased 13.8% from the previous year.
- Net interest income totaled \$4.5 million for the quarter ended December 31, 2023, compared to \$4.5 million for the quarter ended September 30, 2023, and \$5.4 million for the quarter ended December 31, 2022. Net interest income of \$19.0 million for the year ended December 31, 2023, is an increase of \$564,000 or 3.1% from the year-ended December 31, 2022. The increase in net interest income is the net result of earning assets repricing at higher rates partially offset by increases in funding costs.
- Total assets ended the quarter at \$581.8 million as of December 31, 2023, compared to \$588.5 million as of September 30, 2023, and \$630.3 million as of December 31, 2022.

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

	As of				
	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Total investment securities	\$ 219,037	\$ 216,031	\$ 219,994	\$ 228,657	\$ 253,188
Total loans, gross	295,307	284,553	277,180	269,922	258,080
Allowance for credit losses (loans)	(4,260)	(4,120)	(4,010)	(3,846)	(3,513)
Total assets	581,813	588,502	580,124	583,556	630,276
Total deposits	532,048	543,219	534,430	538,971	591,358
Borrowings	-	-	-	-	-
Total shareholders' equity	46,272	40,042	41,083	40,852	36,620
Loan to deposit ratio	56%	52%	52%	50%	44%
Book value per common share	\$ 14.92	\$ 12.92	\$ 13.26	\$ 13.19	\$ 11.87
Subsidiary Bank's Tier 1 leverage ratio	9.72%	9.70%	9.63%	8.88%	8.24%

Total deposits of \$532.0 million as of December 31, 2023, represents a decrease of \$11.2 million or 2.1% from \$543.2 million as of September 30, 2023, and a decrease of \$59.3 million or 10.0% from \$591.4 million as of December 31, 2022. The quarter over quarter decrease in deposits is a result of significant tax-related outflows during the month of October 2023, which was partially offset by seasonal agricultural related deposit inflows.

Total loans were \$295.3 million as of December 31, 2023, which represents an increase of \$10.8 million or 3.8% from \$284.6 million as of September 30, 2023, and an increase of \$37.2 million or 14.4% from \$258.1 million as of December 31, 2022. As of December 31, 2023, the Bank had no non-performing assets.

Total shareholders' equity was \$46.3 million as of December 31, 2023, which represents an increase of \$6.2 million or 15.6% from \$40.0 million as of September 30, 2023, and an increase of \$9.7 million or 26.4% from \$36.6 million as of December 31, 2022. The quarterly increase in shareholders' equity is primarily due to a decrease in unrealized losses on the investment securities portfolio and to a lesser degree net income generated during the quarter. These unrealized losses are directly related to market yields, which decreased during the quarter and we anticipate the losses will continue to reduce and ultimately will be eliminated as these bonds mature.

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

	For the year ended		Variance	
	Dec 31, 2023	Dec 31, 2022	Amount	Percent
Total interest income	\$ 24,327	\$ 19,435	\$ 4,892	25.2%
Total interest expense	5,368	1,040	4,328	416.2%
Net interest income	18,959	18,395	564	3.1%
Provision for credit losses	514	-	514	100.0%
Total noninterest income	994	887	107	12.1%
Total noninterest expense	11,364	9,876	1,488	15.1%
Net income	5,910	6,857	(947)	-13.8%
Earnings per share - basic	\$ 1.91	\$ 2.24	\$ (0.33)	-14.7%
Earnings per share - diluted	\$ 1.85	\$ 2.18	\$ (0.33)	-15.1%
Net interest margin	3.33%	3.21%	0.11%	3.6%
Net interest margin - tax equivalent	3.34%	3.26%	0.09%	2.7%
Efficiency ratio	58.44%	51.46%	6.97%	13.6%
Return on average assets	1.01%	1.14%	-0.12%	-10.7%
Return on average equity	14.43%	17.01%	-2.58%	-15.2%

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

	For the Quarter Ended				
	Dec 31, 2023	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022
Total interest income	\$ 6,196	\$ 6,255	\$ 5,908	\$ 5,968	\$ 5,984
Total interest expense	1,705	1,737	1,174	752	545
Net interest income	4,491	4,518	4,734	5,216	5,439
Provision for credit losses	90	110	314	-	-
Total noninterest income	269	261	239	225	264
Total noninterest expense	2,884	2,951	2,708	2,821	2,408
Net income	1,287	1,272	1,428	1,923	2,384
Earnings per share - basic	\$ 0.42	\$ 0.41	\$ 0.46	\$ 0.62	\$ 0.77
Earnings per share - diluted	\$ 0.40	\$ 0.40	\$ 0.45	\$ 0.61	\$ 0.75
Net interest margin	3.18%	3.14%	3.39%	3.71%	3.60%
Net interest margin - tax equivalent	3.19%	3.15%	3.40%	3.74%	3.64%
Efficiency ratio	61.76%	63.15%	58.16%	51.77%	42.23%
Return on average assets	0.89%	0.87%	1.00%	1.29%	1.49%
Return on average equity	12.09%	12.18%	13.71%	20.30%	27.44%

CFO Kevin S. Reynolds stated, “During the year ended December 31, 2023, the Company recorded a provision for credit loss of \$514,000. The Company recognized no provision during the year ended December 31, 2022. The increase in allowance and resulting provision were a direct result of growth in our loan portfolio, which grew 14.4% during the year. Overall, our loan portfolio continues to perform well, and we have experienced no material adverse developments to date.”

“Over the last 24 months, we managed the duration of our securities portfolio down and we are well positioned for continued uncertainty and volatility in market rates. Further, the maturing of the securities we purchased over this time period will provide us with additional funding for our ongoing loan growth over the next twelve months. Our liquidity and capital levels position us well for our continued growth.” Reynolds concluded.

CEO John M. Jelavich stated, “Despite the industry challenges that occurred in 2023, we generated after-tax net-profit of \$5.9 million and we are pleased with our strong loan growth achieved during the year. Our 2023 earnings were lower than 2022 due primarily to higher deposit costs, which was a function of market rates. During 2023, we also made an investment in the opening of our Roseville Loan production office, and we are pleased with the early results we have achieved. The addition of this new office, and the strong lending team we have added there, complements our existing footprint, and positions us well to serve small to medium-sized businesses located in that market.”

“Looking forward, we anticipate that higher deposit costs are peaking but will continue to present earnings headwinds for our Bank in the near term. We also anticipate that our loans and securities will continue to re-price at higher market levels, allowing us to achieve increased margins and earnings as we transition out of 2024 and into 2025 with potential earnings tailwinds. We feel very good about how our bank navigated a turbulent market environment, and we remain confident in our ability to serve our markets with the desirable relationship brand of banking we offer,” 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.