



## River Valley Community Bancorp Announces 3<sup>rd</sup> Quarter Results (Unaudited)

Yuba City, California, October 17, 2023 – 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 September 30, 2023.

### Consolidated financial highlights:

- Net income for the quarter ended September 30, 2023, totaled \$1.3 million or \$0.40 per diluted share compared to \$1.4 million or \$0.45 per diluted share for the quarter ended June 30, 2023, and \$1.9 million or \$0.60 per diluted share for the quarter ended September 30, 2022.
- Net interest income totaled \$4.5 million for the quarter ended September 30, 2023, compared to \$4.7 million for the quarter ended June 30, 2023, and \$4.8 million for the quarter ended September 30, 2022.
- Total assets ended the quarter at \$588.5 million as of September 30, 2023, compared to \$580.1 million as of June 30, 2023, and \$646.2 million as of September 30, 2022.

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

	As of				
	Sep 30, 2023	Jun 30, 2023	Mar 31, 2023	Dec 31, 2022	Sep 30, 2022
Total investment securities	\$ 216,031	\$ 219,994	\$ 228,657	\$ 253,188	\$ 255,532
Total loans, gross	284,553	277,180	269,922	258,080	255,235
Allowance for loan losses	(4,120)	(4,010)	(3,846)	(3,513)	(3,513)
Total assets	588,502	580,124	583,556	630,276	646,210
Total deposits	543,219	534,430	538,971	591,358	609,936
Borrowings	-	-	-	-	-
Total shareholders' equity	40,042	41,083	40,852	36,620	33,976
Loan to deposit ratio	52%	52%	50%	44%	42%
Book value per common share	\$ 12.92	\$ 13.26	\$ 13.19	\$ 11.87	\$ 11.02
Subsidiary Bank's Tier 1 leverage ratio	9.70%	9.63%	8.88%	8.24%	8.16%

Total loans were \$284.5 million as of September 30, 2023, which represents an increase of \$7.3 million or 2.7% from \$277.1 million as of June 30, 2023, and an increase of \$29.3 million or 11.5% from \$255.2 million as of September 30, 2022. Total deposits of \$543.2 million as of September 30, 2023, represents an increase of 8.8 million or 1.6% from \$534.4 million as of June 30, 2023, and a decrease of \$66.7 million or 10.9% from \$609.9 million as of September 30, 2022. As of September 30, 2023, the Bank had no non-performing assets.

Total shareholders' equity was \$40.0 million as of September 30, 2023, which represents a decrease of \$1.0 million or 2.5% from \$41.0 million as of June 30, 2023, and an increase of \$6.1 million or 17.9% from \$33.9 million as of September 30, 2022. The quarterly decrease in shareholders' equity is due to an increase in unrealized losses on the investment securities portfolio. These unrealized losses are directly related to the increase in market yields experienced during the quarter and we anticipate these unrealized losses will be eliminated as these bonds mature. Over the last 24 months, the Bank has intentionally managed the duration of the securities portfolio down and is well positioned for continued uncertainty and volatility in market rates.

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

	<b>Nine Months Ended</b>		<b>Variance</b>	
	<b>Sep 30,</b>	<b>Sep 30,</b>	<b>Amount</b>	<b>Percent</b>
	<b>2023</b>	<b>2022</b>		
Total interest income	\$ 18,132	\$ 13,452	\$ 4,680	34.8%
Total interest expense	3,664	495	3,169	640.2%
Net interest income	14,468	12,957	1,511	11.7%
Provision for loan losses	424	-	424	100.0%
Total noninterest income	724	624	100	16.0%
Total noninterest expense	8,479	7,468	1,011	13.5%
Net income	4,622	4,473	149	3.3%
Earnings per share - basic	\$ 1.49	\$ 1.47	\$ 0.02	1.4%
Earnings per share - diluted	\$ 1.45	\$ 1.42	\$ 0.03	2.1%
Net interest margin	3.41%	3.08%	0.34%	10.9%
Net interest margin - tax equivalent	3.43%	3.12%	0.31%	9.9%
Efficiency ratio	57.38%	54.99%	2.40%	4.4%
Return on average assets	1.05%	1.01%	0.05%	4.6%
Return on average equity	15.24%	14.15%	1.09%	7.7%

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

	<b>For the Quarter Ended</b>				
	<b>Sep 30,</b>	<b>Jun 30,</b>	<b>Mar 31,</b>	<b>Dec 31,</b>	<b>Sep 30,</b>
	<b>2023</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2022</b>
Total interest income	\$ 6,255	\$ 5,908	\$ 5,968	\$ 5,984	\$ 5,055
Total interest expense	1,737	1,174	752	545	222
Net interest income	4,518	4,734	5,216	5,439	4,833
Provision for loan losses	110	314	-	-	-
Total noninterest income	261	239	225	264	223
Total noninterest expense	2,951	2,708	2,821	2,408	2,498
Net income	1,272	1,428	1,923	2,384	1,885
Earnings per share - basic	\$ 0.41	\$ 0.46	\$ 0.62	\$ 0.77	\$ 0.62
Earnings per share - diluted	\$ 0.40	\$ 0.45	\$ 0.61	\$ 0.75	\$ 0.60
Net interest margin	3.14%	3.39%	3.71%	3.60%	3.36%
Net interest margin - tax equivalent	3.15%	3.40%	3.74%	3.64%	3.40%
Efficiency ratio	63.15%	58.16%	51.77%	42.23%	49.41%
Return on average assets	0.87%	1.00%	1.29%	1.49%	1.24%
Return on average equity	12.18%	13.71%	20.30%	27.44%	19.52%

Net interest income of \$4.5 million for the quarter ended September 30, 2023, is a decrease of \$216,000 or 4.6% from the quarter ended June 30, 2023, and a decrease of \$315,000 or 6.5% from the quarter ended September 30, 2022. The decrease in net interest income is primarily due to an increase in the cost of deposits.

CFO Kevin S. Reynolds stated, "During the quarter the Company recorded a provision for credit losses of \$110,000. The increase in allowance was a direct result of growth in the loan portfolio. Overall, our loan portfolio continues to perform well, and we have experienced no material adverse developments to date."

"Our efficiency ratio of 63% has been rising over the last nine months, this is primarily related to the continued increase in deposit costs. As interest expense expands this decreases the denominator and therefore increases the efficiency ratio. Further, during the quarter non-interest expense was elevated due primarily to the timing of expenses, however, we do expect our efficiency ratio to drop to and average around 60% through 2024." Reynolds concluded.

CEO John M. Jelavich stated, "While our deposit costs have increased rapidly, our interest income on our earning assets is also strengthening, albeit at a slower rate. Higher market rates benefit new and renewing loans, as well as maturing investment securities. Assuming no significant change in Fed Policy, in the longer term, we believe margin expansion can resume as deposit costs moderate and higher market rates continue to cycle into our earning asset base."

"Challenges can create opportunity and despite the dislocations the banking industry has experienced related to the abrupt shift in Fed policy over the last 18 months, we believe our bank remains well positioned to continue serving our communities and attracting new customers. The reputation we have established over the past 17 years has enabled us to develop and attract team members who share our passion for delivering a desirable relationship banking experience and fill voids left by larger banks," 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](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.*