



River Valley Community Bancorp Announces 1st Quarter Results (Unaudited)

Yuba City, California, April 18, 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 March 31, 2023.

Consolidated financial highlights:

- Net income for the quarter ended March 31, 2023, totaled \$1.9 million or \$0.61 per diluted share compared to \$2.4 million or \$0.75 per diluted share for the quarter ended December 31, 2022, and \$1.1 million or \$0.36 per diluted share for the quarter ended March 31, 2022.
- Net interest income totaled \$5.2 million for the quarter ended March 31, 2023, compared to \$5.4 million for the quarter ended December 31, 2022, and \$3.9 million for the quarter ended March 31, 2022.
- Total assets ended the quarter at \$583.6 million as of March 31, 2023, compared to \$630.2 million as of December 31, 2022, and \$574.8 million as of March 31, 2022.
- The Bank was required to adopt the current expected credit loss (“CECL”) standard on January 1, 2023. Adoption of the standard resulted in an increase to the allowance for credit losses on loans of \$333 thousand and an increase to the allowance for credit losses on unfunded commitments of \$400 thousand. The standard also required the after-tax impact of the adoption of CECL, \$517 thousand, be recorded directly to retained earnings on the date of adoption.

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

| | As of | | | | |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| | Mar 31, 2023 | Dec 31, 2022 | Sep 30, 2022 | Jun 30, 2022 | Mar 31, 2022 |
| Total investment securities | \$ 228,657 | \$ 253,188 | \$ 255,532 | \$ 242,948 | \$ 242,907 |
| Total loans, gross | 269,922 | 258,080 | 255,235 | 254,907 | 248,560 |
| PPP loans (non-core) | - | - | - | - | 1,071 |
| Total loans, excluding PPP | 269,922 | 258,080 | 255,235 | 254,907 | 247,489 |
| Allowance for credit losses - loans | (3,846) | (3,513) | (3,513) | (3,513) | (3,513) |
| Total assets | 583,556 | 630,276 | 646,210 | 582,037 | 574,805 |
| Total deposits | 538,971 | 591,358 | 609,936 | 542,119 | 530,020 |
| Borrowings | - | - | - | - | - |
| Total shareholders' equity | 40,852 | 36,620 | 33,976 | 37,393 | 42,332 |
| Loan to deposit ratio | 50% | 44% | 42% | 47% | 47% |
| Book value per common share | \$ 13.19 | \$ 11.87 | \$ 11.02 | \$ 12.23 | \$ 13.85 |
| Subsidiary Bank's Tier 1 leverage ratio | 8.88% | 8.24% | 8.16% | 8.23% | 7.85% |

Total core loans, excluding PPP, were \$269.9 million as of March 31, 2023, which represents an increase of \$11.8 million or 4.6% from \$258.1 million as of December 31, 2022, and an increase of \$22.4 million or 9.1% from \$247.5 million as of March 31, 2022.

Total deposits of \$539.0 million as of March 31, 2023, represents a decrease of \$52.4 million or 8.9% from \$591.4 million as of December 31, 2022, and an increase of \$9.0 million or 1.7% from \$530.0 million as of March 31, 2022. The quarter-over-quarter decline in deposits was primarily driven by normal seasonality associated with the bank's significant agribusiness related deposit base, excess depositor liquidity leaving the bank for investment purposes and expected public agency deposit outflow. Deposit outflow during the quarter was partially offset by inflow from various existing and new depositors. Notably, nearly all the Bank's deposit outflow during the quarter occurred prior to the highly publicized failure of Silicon Valley Bank and Signature Bank over the weekend of March 11th.

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

| | For the Quarter Ended | | | | |
|--------------------------------------|-----------------------|-----------------|-----------------|-----------------|-----------------|
| | Mar 31, 2023 | Dec 31, 2022 | Sep 30, 2022 | Jun 30, 2022 | Mar 31, 2022 |
| Total interest income | \$ 5,968 | \$ 5,984 | \$ 5,055 | \$ 4,308 | \$ 4,089 |
| Total interest expense | 752 | 545 | 222 | 133 | 140 |
| Net interest income | 5,216 | 5,439 | 4,833 | 4,175 | 3,949 |
| Provision for loan losses | - | - | - | - | - |
| Total noninterest income | 225 | 264 | 223 | 201 | 200 |
| Total noninterest expense | 2,821 | 2,408 | 2,498 | 2,403 | 2,567 |
| Net income | 1,923 | 2,384 | 1,885 | 1,446 | 1,142 |
| Earnings per share - basic | \$ 0.62 | \$ 0.77 | \$ 0.62 | \$ 0.47 | \$ 0.38 |
| Earnings per share - diluted | \$ 0.61 | \$ 0.75 | \$ 0.60 | \$ 0.46 | \$ 0.36 |
| Net interest margin | 3.71% | 3.60% | 3.36% | 3.05% | 2.79% |
| Net interest margin - tax equivalent | 3.74% | 3.64% | 3.40% | 3.09% | 2.83% |
| Efficiency ratio | 51.77% | 42.23% | 49.41% | 54.91% | 61.87% |
| Return on average assets | 1.29% | 1.49% | 1.24% | 1.00% | 0.78% |
| Return on average equity | 20.30% | 27.44% | 19.52% | 14.50% | 9.64% |

Net interest income of \$5.2 million for the quarter ended March 31, 2023, is a decrease of \$223,000 or 4.1% from the quarter ended December 31, 2022, and an increase of \$1.3 million or 32.1% from the quarter ended March 31, 2022. The decrease in net interest income from the quarter ended December 31, 2022, is primarily due to an increase in the cost of deposits. As of March 31, 2023, the Bank had one non-performing asset at \$30 thousand or 0.01% of the Bank's total loan portfolio.

CFO Kevin S. Reynolds stated, "Beginning in the fourth quarter of 2021, we began managing the duration of our investment portfolio lower. Then early last year when the Federal Reserve began increasing rates, we put renewed focus on liquidity and began purchasing more short-term securities. These actions further shortened the effective duration of our securities portfolio which, in addition to our cash, provides us with considerable on-balance sheet liquidity. As of March 31, 2023, the Bank is self-funded with no outstanding borrowings and maintains access to significant credit facilities that provide us with additional sources of liquidity if needed. The Bank remains well positioned with ample liquidity and capital to continue lending and serving our communities."

CEO John M. Jelavich stated, "The Federal Reserve's abrupt transition into an aggressive rising rate cycle which began in March of last year has been almost unprecedented. Rapidly increasing short-term rates have effectively pulled liquidity out of the banking industry into non-bank investment alternatives. Against this backdrop, the recent bank failures, and subsequent media coverage, increased anxiety over the safety of bank deposits nationwide. While our Bank did

experience increased deposit outflow during the quarter as excess funds left for external investment, nearly all our outflow occurred prior to the noted bank failures. We believe this is a reflection of the confidence our customers have in our Bank and we appreciate the steady-hand our customers have shown.”

Jelavich continued, “We spend considerable time and focus on our interest rate, credit and liquidity risk management and we believe these efforts continue to provide benefit to the bank. Our loan portfolio continues to perform well, and we are comfortable with our liquidity position. We believe the reputation we have established for sound risk management practices, and the communicative relationships and access our customers have to management helps enhance their confidence in our bank.”

“Community banks like ours play a vital role in serving small to medium sized business in ways bigger banks do not. We are very proud of the positive impact we have in facilitating economic activity and commerce in our communities and the confidence our customers have in our bank. We are encouraged by the new account activity we have experienced in recent weeks, and we believe our Bank is well positioned for the current environment as well as for new opportunities that can emerge during periods of uncertainty.” 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)

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.