



## River Valley Community Bancorp Announces 4<sup>th</sup> Quarter and Annual Results (Unaudited) and Stock Repurchase Plan

Yuba City, California, January 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 December 31, 2022.

### Consolidated financial highlights:

- Total assets ended the year at \$630.3 million as of December 31, 2022, compared to \$600.8 million as of December 31, 2021, and \$646.2 million as of September 30, 2022. Total assets grew 4.9% during the year ended December 31, 2022.
- Net income for the quarter ended December 31, 2022, totaled \$2.4 million or \$0.75 per diluted share compared to \$1.4 million or \$0.44 per diluted share for the quarter ended December 31, 2021, and \$1.9 million or \$0.60 per diluted share for the quarter ended September 30, 2022. Net income for the year ended December 31, 2022, was \$6.9 million or \$2.18 per diluted share, which increased 28.2% from the previous year.
- Net interest income totaled \$5.4 million for the quarter ended December 31, 2022, compared to \$4.2 million for the quarter ended December 31, 2021, and \$4.8 million for the quarter ended September 30, 2022. Net interest income for the year ended December 31, 2022, was \$18.4 million which is an increase of 15.6% from the year ended December 31, 2021.

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

	As of				
	Dec 31, 2022	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021
Total investment securities	\$ 253,188	\$ 255,532	\$ 242,948	\$ 242,907	\$ 227,775
Total loans, gross	258,080	255,235	254,907	248,560	250,670
PPP loans (non-core)	-	-	-	1,071	3,939
Total loans, excluding PPP	258,080	255,235	254,907	247,489	246,731
Allowance for loan losses	(3,513)	(3,513)	(3,513)	(3,513)	(3,513)
Total assets	630,276	646,210	582,037	574,805	600,849
Total deposits	591,358	609,936	542,119	530,020	548,020
Borrowings	-	-	-	-	-
Total shareholders' equity	36,620	33,976	37,393	42,332	49,428
Loan to deposit ratio	44%	42%	47%	47%	46%
Book value per common share	\$ 11.87	\$ 11.02	\$ 12.23	\$ 13.85	\$ 16.30
Subsidiary Bank's Tier 1 leverage ratio	8.24%	8.16%	8.23%	7.85%	8.13%

Total core loans, excluding PPP, were \$258.1 million as of December 31, 2022, which represents an increase of \$11.3 million or 4.6% from \$246.7 million as of December 31, 2021, and an increase of \$2.8 million or 1.1% from \$255.2 million as of September 30, 2022. Total deposits of \$591.4 million as of December 31, 2022, represent an increase of \$43.3 million or 7.9% from \$548.0 million as of December 31, 2021, and a decrease of \$18.6 million from \$609.9 million as of September 30, 2022.

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

	<b>For the Year Ended</b>		<b>Variance</b>	
	<b>Dec 31,</b>	<b>Dec 31,</b>	<b>Amount</b>	<b>Percent</b>
	<b>2022</b>	<b>2021</b>		
Total interest income	\$ 19,435	\$ 16,525	\$ 2,910	17.6%
Total interest expense	1,040	617	423	68.6%
Net interest income	18,395	15,908	2,487	15.6%
Provision for loan losses	-	151	(151)	-100.0%
Total noninterest income	887	855	32	3.7%
Total noninterest expense	9,876	9,268	608	6.6%
Net income	6,857	5,350	1,507	28.2%
Earnings per share - basic	\$ 2.24	\$ 1.77	\$ 0.47	26.6%
Earnings per share - diluted	\$ 2.18	\$ 1.73	\$ 0.45	26.0%
Net interest margin	3.21%	3.20%	0.01%	0.3%
Net interest margin - tax equivalent	3.26%	3.25%	0.01%	0.2%
Efficiency ratio	51.46%	55.59%	-4.13%	-7.4%
Return on average assets	1.14%	1.03%	0.10%	10.0%
Return on average equity	17.01%	11.09%	5.92%	53.4%

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

	<b>For the Quarter Ended</b>				
	<b>Dec 31,</b>	<b>Sep 30,</b>	<b>Jun 30,</b>	<b>Mar 31,</b>	<b>Dec 31,</b>
	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2022</b>	<b>2021</b>
Total interest income	\$ 5,984	\$ 5,055	\$ 4,308	\$ 4,089	\$ 4,295
Total interest expense	545	222	133	140	147
Net interest income	5,439	4,833	4,175	3,949	4,148
Provision for loan losses	-	-	-	-	151
Total noninterest income	264	223	201	200	242
Total noninterest expense	2,408	2,498	2,403	2,567	2,340
Net income	2,384	1,885	1,446	1,142	1,392
Earnings per share - basic	\$ 0.77	\$ 0.62	\$ 0.47	\$ 0.38	\$ 0.46
Earnings per share - diluted	\$ 0.75	\$ 0.60	\$ 0.46	\$ 0.36	\$ 0.44
Net interest margin	3.60%	3.36%	3.05%	2.79%	3.09%
Net interest margin - tax equivalent	3.64%	3.40%	3.09%	2.83%	3.13%
Efficiency ratio	42.23%	49.41%	54.91%	61.87%	53.32%
Return on average assets	1.49%	1.24%	1.00%	0.78%	1.00%
Return on average equity	27.44%	19.52%	14.50%	9.64%	11.16%

Net interest income of \$18.4 million for the year ended December 31, 2022, is an increase of \$2.5 million or 15.6% from the year ended December 31, 2021. The increase in net interest income for the year is due from the continued growth in

the Bank's earning assets and the rising interest rate environment. The Bank's allowance for loan losses was considered adequate and no provision for loan losses was recognized during the year ended December 31, 2022. There were no non-performing assets as of December 31, 2022.

During the year ended December 31, 2022, market interest rates increased considerably, resulting in higher net interest income, but also drove an increase in the unrealized losses on the Bank's investment securities. As a result, shareholder's equity and book value per common share decreased during the year ended December 31, 2022. The Bank has sufficient capital and liquidity and intends to hold its securities until maturity when it is expected that any unrealized losses will reduce to zero.

On December 20, 2022, the Board of Directors authorized a new stock repurchase plan for up to \$1,000,000 of the Company's outstanding common stock. Under the repurchase program, repurchases can be made from time to time in the open market purchases, privately negotiated transactions, or otherwise, all in accordance with applicable legal requirements. The purchase program was effective on January 1, 2023 and will remain in effect until December 31, 2024. The specific timing, price, and size of purchases will depend on prevailing stock prices, general economic and market conditions, and other considerations. The Board of Directors has determined that the maximum aggregate repurchases will not impair the capital of the Company.

The repurchase program does not obligate the Company to acquire any amount of common stock and may be suspended or discontinued at any time at the Company's discretion. The stock repurchase program is intended to provide management with an effective mechanism for capital management, increased return on equity to our existing shareholders, and provide additional market liquidity for our common shares outstanding.

CFO Kevin S. Reynolds commented, "Due to the Fed's aggressive rate hiking cycle and the sensitivity of the Bank's assets to those increases, the Bank achieved record top-line net interest income and bottom-line net income during the quarter and the year ended December 31, 2022. As a result, the Bank generated significantly stronger return on average assets or ROAA and return on average equity or ROAE than in 2021. The Bank remains well positioned with liquidity and capital to fund our continued growth."

CEO John M. Jelavich stated, "We are very pleased with our record profitability and the deposit growth we experienced in 2022. Our profitability was primarily driven by the significant increase in interest rates which had a beneficial impact on our earning asset yields. Our deposit mix remained stable year-over-year with 60% in checking accounts which are not as sensitive to increasing rates and has helped keep our overall cost of funds low."

Jelavich continued, "Looking forward, we anticipate 2023 will be a good year for the Bank and expect to see growth in our profitability as well as enhancement in our market positioning. We also expect our deposit costs on our interest-bearing accounts to continue to increase with market rates but expect our net interest margin to be slightly higher for 2023 compared to 2022. Our Reno loan production office had a good first year and we anticipate making further investment in our overall lending and credit capabilities during 2023."

"At present, there remains considerable uncertainty relating to the broader economy. We do expect further Fed rate actions but believe most of their increases have already been done. We are fortunate to have a great team of bankers who will enable us to execute our plans and continue in the delivery of a relationship banking experience that our customers value." Jelavich concluded.

The Bank remains highly rated with BauerFinancial, Depositaccounts.com and Bankrate 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](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.*