



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

Yuba City, California, October 18, 2022 – 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, 2022.

Consolidated financial highlights:

- Total assets ended the quarter at \$646.2 million as of September 30, 2022, compared to \$527.7 million as of September 30, 2021, and \$582.0 million as of June 30, 2022.
- Net income for the quarter ended September 30, 2022, totaled \$1.9 million or \$0.60 per diluted share compared to \$1.4 million or \$0.45 per diluted share for the quarter ended September 30, 2021, and \$1.4 million or \$0.46 per diluted share for the quarter ended June 30, 2022.
- Net interest income totaled \$4.8 million for the quarter ended September 30, 2022, compared to \$4.0 million for the quarter ended September 30, 2021, and \$4.2 million for the quarter ended June 30, 2022.

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

	As of				
	Sep 30, 2022	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021
Total investment securities	\$ 255,532	\$ 242,948	\$ 242,907	\$ 227,775	\$ 200,099
Total loans, gross	255,235	254,907	248,560	250,670	243,689
PPP loans (non-core)	-	-	1,071	3,939	10,307
Total loans, excluding PPP	255,235	254,907	247,489	246,731	233,382
Allowance for loan losses	(3,513)	(3,513)	(3,513)	(3,513)	(3,362)
Total assets	646,210	582,037	574,805	600,849	527,734
Total deposits	609,936	542,119	530,020	548,020	475,251
Borrowings	-	-	-	-	-
Total shareholders' equity	33,976	37,393	42,332	49,428	48,853
Loan to deposit ratio	42%	47%	47%	46%	51%
Book value per common share	\$ 11.02	\$ 12.23	\$ 13.85	\$ 16.30	\$ 16.14
Subsidiary Bank's Tier 1 leverage ratio	8.16%	8.23%	7.85%	8.13%	8.41%

Total gross loans, excluding PPP loans, were \$255.2 million as of September 30, 2022, which represents an increase of \$21.8 million or 9.4% from \$233.4 million as of September 30, 2021, and an increase of \$328,000, or 0.1%, from \$254.9 million as of June 30, 2022. Total deposits of \$609.9 million as of September 30, 2022, represent an increase of \$134.6 million or 28.3% from \$475.3 million as of September 30, 2021, and an increase of \$67.8 million or 12.5% from \$542.1 million as of June 30, 2022. As of September 30, 2022, the Bank had no non-performing assets.

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

	Nine Months Ended		Variance	
	Sep 30,	Sep 30,	Amount	Percent
	2022	2021		
Total interest income	\$ 13,452	\$ 12,230	\$ 1,222	10.0%
Total interest expense	495	470	25	5.3%
Net interest income	12,957	11,760	1,197	10.2%
Provision for loan losses	-	-	-	0.0%
Total noninterest income	624	614	10	1.6%
Total noninterest expense	7,468	6,928	540	7.8%
Net income	4,473	3,957	516	13.0%
Earnings per share - basic	\$ 1.47	\$ 1.32	\$ 0.15	11.4%
Earnings per share - diluted	\$ 1.42	\$ 1.28	\$ 0.14	10.9%
Net interest margin	3.08%	3.25%	-0.17%	-5.2%
Net interest margin - tax equivalent	3.12%	3.29%	-0.17%	-5.3%
Efficiency ratio	54.99%	56.40%	-1.41%	-2.5%
Return on average assets	1.01%	1.05%	-0.04%	-3.7%
Return on average equity	14.15%	11.06%	3.09%	27.9%

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

	For the Quarter Ended				
	Sep 30,	Jun 30,	Mar 31,	Dec 31,	Sep 30,
	2022	2022	2022	2021	2021
Total interest income	\$ 5,055	\$ 4,308	\$ 4,089	\$ 4,295	\$ 4,173
Total interest expense	222	133	140	147	153
Net interest income	4,833	4,175	3,949	4,148	4,020
Provision for loan losses	-	-	-	151	-
Total noninterest income	223	201	200	242	161
Total noninterest expense	2,498	2,403	2,567	2,340	2,265
Net income	1,885	1,446	1,142	1,392	1,397
Earnings per share - basic	\$ 0.62	\$ 0.47	\$ 0.38	\$ 0.46	\$ 0.46
Earnings per share - diluted	\$ 0.60	\$ 0.46	\$ 0.36	\$ 0.44	\$ 0.45
Net interest margin	3.36%	3.05%	2.79%	3.09%	3.21%
Net interest margin - tax equivalent	3.40%	3.09%	2.83%	3.13%	3.25%
Efficiency ratio	49.41%	54.91%	61.87%	53.32%	54.17%
Return on average assets	1.24%	1.00%	0.78%	1.00%	1.07%
Return on average equity	19.52%	14.50%	9.64%	11.16%	11.18%

Net interest income of \$4.8 million for the quarter ended September 30, 2022, is an increase of \$813,000 or 20.2% from the quarter ended September 30, 2021, and an increase of \$658,000 or 15.8% from the quarter ended June 30, 2022. The increase in net interest income for the quarter 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 quarter ended September 30, 2022.

CFO Kevin S. Reynolds commented, "While the rising rate environment has been positively impacting our earnings profile and net interest margin, it continues to have a negative impact on the fair value of our bond portfolio and ultimately the Company's book value per share. Over the last four quarters, the Company's book value per share has been trending down as a result of the volatility in the bond market and its impact on accumulated other comprehensive income (loss) or AOCI for short. It is important to note that our bonds continue to perform as intended and over time as they approach maturity the unrealized losses will reduce and ultimately be eliminated. Generally Accepted Accounting Principles require us to mark our bond portfolio to market on a monthly basis which flows through the AOCI component of equity. Barring unforeseen economic circumstances, we have the intent and ability to hold our investments until maturity or until the losses are eliminated. "

CEO John M. Jelavich stated, "We are very pleased with our record profitability and record growth in total assets achieved during the third quarter. The Bank's growth is reflective of our strong market positioning within our geographic footprint, and it is notable that our significant deposit growth during the quarter was driven by increases in all four of our branches. Further, our deposit mix has remained constant with relationship-oriented demand deposits representing well over half of our total, which continues to benefit our overall cost of funds."

Jelavich continued, "We do anticipate that the costs on our interest-bearing deposits will increase as a function of the Fed's aggressive interest rate increases, but we also expect those costs to be offset by increased interest income generated by our earning assets. As a result, we look forward to and expect higher net interest margins and profitability, barring any unforeseen economic stress."

"The pace of the Fed's rate hikes during this recent cycle is unprecedented and there is ongoing debate in the financial press about the outlook for inflation and whether the Fed will push the economy into a serious recession. While considerable macro uncertainty is likely to persist for some time, we believe our bank remains well positioned with a solid balance sheet, which is complemented by our delivery of a relationship banking experience that is valued in our markets." 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](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.*