



River Valley Community Bancorp Announces 2nd Quarter Results (Unaudited)

Yuba City, California, July 19, 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 June 30, 2022.

Consolidated financial highlights:

- Total assets ended the quarter at \$582.0 million as of June 30, 2022, compared to \$503.3 million as of June 30, 2021, and \$574.8 million as of March 31, 2022.
- Net income for the quarter ended June 30, 2022, totaled \$1.4 million or \$0.46 per diluted share compared to \$1.3 million or \$0.42 per diluted share for the quarter ended June 30, 2021, and \$1.1 million or \$0.36 per diluted share for the quarter ended March 31, 2022.
- Net interest income totaled \$4.2 million for the quarter ended June 30, 2022, compared to \$3.9 million for the quarter ended June 30, 2021, and \$3.9 million for the quarter ended March 31, 2022.

	As of				
	Jun 30, 2022	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021
Total investment securities	\$ 242,948	\$ 242,907	\$ 227,775	\$ 200,099	\$ 171,710
Total loans, gross	254,907	248,560	250,670	243,689	258,816
PPP loans (non-core)	-	1,071	3,939	10,307	26,136
Total loans, excluding PPP	254,907	247,489	246,731	233,382	232,680
Allowance for loan losses	(3,513)	(3,513)	(3,513)	(3,362)	(3,362)
Total assets	582,037	574,805	600,849	527,734	503,298
Total deposits	542,119	530,020	548,020	475,251	450,895
Borrowings	-	-	-	-	-
Total shareholders' equity	37,393	42,332	49,428	48,853	48,439
Loan to deposit ratio	47%	47%	46%	51%	57%
Book value per common share	\$ 12.23	\$ 13.85	\$ 16.30	\$ 16.14	\$ 16.02
Subsidiary Bank's Tier 1 leverage ratio	8.23%	7.85%	8.13%	8.41%	8.42%

Total gross loans were \$254.9 million as of June 30, 2022, which represents a decrease of \$3.9 million or 1.5% from \$258.8 million as of June 30, 2021, and an increase of \$6.3 million or 2.6% from \$248.6 million as of March 31, 2022. The decrease in loans was driven primarily by PPP loan payoffs received during the twelve-month period ended June 30, 2022. As of June 30, 2022, all PPP loans have been forgiven with full payments received from the Small Business Administration. Excluding PPP loans, the Bank had loan growth of \$22.2 million or 9.6% from June 30, 2021, and \$7.4 million or 3.0% from March 31, 2022. Total deposits of \$542.1 million as of June 30, 2022, represent an increase of \$91.2 million or 20.2% from \$450.9 million as of June 30, 2021, and an increase of \$12.1 million or 2.3% from \$530.0 million as of March 31, 2022. As of June 30, 2022, the Bank had no non-performing assets.

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

	Six Months Ended		Variance	
	Jun 30,	Jun 30,	Amount	Percent
	2022	2021		
Total interest income	\$ 8,397	\$ 8,059	\$ 338	4.2%
Total interest expense	273	317	(44)	-13.9%
Net interest income	8,124	7,742	382	4.9%
Provision for loan losses	-	-	-	0.0%
Total noninterest income	401	451	(50)	-11.1%
Total noninterest expense	4,970	4,663	307	6.6%
Net income	2,588	2,561	27	1.1%
Earnings per share - basic	\$ 0.85	\$ 0.86	\$ (0.01)	-0.7%
Earnings per share - diluted	\$ 0.82	\$ 0.82	\$ (0.00)	-0.5%
Net interest margin	2.95%	3.27%	-0.32%	-9.8%
Net interest margin - tax equivalent	2.99%	3.32%	-0.33%	-9.8%
Efficiency ratio	58.30%	57.55%	0.75%	1.3%
Return on average assets	0.89%	1.03%	-0.14%	-13.8%
Return on average equity	11.92%	11.00%	0.92%	8.4%

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

	For the Quarter Ended				
	Jun 30,	Mar 31,	Dec 31,	Sep 30,	Jun 30,
	2022	2022	2021	2021	2021
Total interest income	\$ 4,308	\$ 4,089	\$ 4,295	\$ 4,173	\$ 4,071
Total interest expense	133	140	147	153	156
Net interest income	4,175	3,949	4,148	4,020	3,915
Provision for loan losses	-	-	151	-	-
Total noninterest income	201	200	242	161	175
Total noninterest expense	2,403	2,567	2,340	2,265	2,275
Net income	1,446	1,142	1,392	1,397	1,315
Earnings per share - basic	\$ 0.47	\$ 0.38	\$ 0.46	\$ 0.46	\$ 0.43
Earnings per share - diluted	\$ 0.46	\$ 0.36	\$ 0.44	\$ 0.45	\$ 0.42
Net interest margin	3.05%	2.79%	3.09%	3.21%	3.28%
Net interest margin - tax equivalent	3.09%	2.83%	3.13%	3.25%	3.33%
Efficiency ratio	54.91%	61.87%	53.32%	54.17%	55.62%
Return on average assets	1.00%	0.78%	1.00%	1.07%	1.05%
Return on average equity	14.50%	9.64%	11.16%	11.18%	11.24%

Net interest income of \$4.2 million for the quarter ended June 30, 2022, is an increase of \$260,000 or 6.6% from the quarter ended June 30, 2021, and an increase of \$226,000 or 5.7% from the quarter ended March 31, 2022. The record net interest income for the quarter is due from the continued growth in the Bank's earning assets and the rising rate

environment. The Bank's allowance for loan losses was considered adequate and no provision for loan losses was recognized during the quarter ended June 30, 2022.

CFO Kevin S. Reynolds commented, "The Bank recognized record quarterly net income for the quarter ended June 30, 2022. The Bank's balance sheet is asset sensitive and therefore our earning assets will yield more in an increasing rate environment. We expect the Bank's ROAA to improve as our balance sheet yields higher returns. Volatility in the treasury markets continues to negatively impact the fair value of our securities portfolio and book value per share as a function of mark-to-market accounting requirements. However, our securities portfolio continues to perform as intended, and we anticipate that unrealized losses will reduce over time as bonds approach maturity."

CEO John M. Jelavich stated, "We are very proud of our Bank's record quarterly profits as well as strong year-over-year core deposit and core loan growth. In addition to our growth, its noteworthy that our profits for the second quarter were driven by improved net interest margins on our core earning assets, with minimal impact from PPP fee recognition which was a non-recurring benefit that had a more significant impact on the Bank's earnings last year."

Jelavich continued, "While there is more talk in the financial press about recession and we believe risks are elevated, we have yet to see compelling signals that recession is imminent. Our credit portfolio continues to perform well and, barring any unforeseen adverse credit development, we believe the Bank to be on a more sustainable trajectory with stronger margins, increasing net interest income and profitability."

"We continue to see considerable opportunity in the markets we serve, and we believe our market positioning is strengthening. We are very pleased to note that our Marysville branch has achieved its first full quarter of profitability this quarter and, across the board, we carry good momentum into the third quarter." 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.