



## River Valley Community Bancorp Announces 1<sup>st</sup> Quarter Results (Unaudited)

Yuba City, California, April 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 March 31, 2022.

### Consolidated financial highlights:

- Net income for the quarter ended March 31, 2022 totaled \$1.1 million or \$0.36 per diluted share compared to \$1.4 million or \$0.46 per diluted share for the quarter ended December 31, 2021 and \$1.2 million or \$0.42 per diluted share for the quarter ended March 31, 2021.
- Net interest income totaled \$3.9 million for the quarter ended March 31, 2022 compared to \$4.1 million for the quarter ended December 31, 2021 and \$3.8 million for the quarter ended March 31, 2021.
- Total assets ended the quarter at \$573.7 million as of March 31, 2022 compared to \$600.8 million as of December 31, 2021 and \$506.8 million as of March 31, 2021.

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

	As of				
	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Total investment securities	\$ 242,907	\$ 227,775	\$ 200,099	\$ 171,710	\$ 169,698
Total loans, gross	248,558	250,670	243,689	258,816	258,504
PPP loans (non-core)	1,071	3,939	10,307	26,136	42,383
Total loans, excluding PPP	247,487	246,731	233,382	232,680	216,121
Allowance for loan losses	(3,513)	(3,513)	(3,362)	(3,362)	(3,362)
Total assets	573,695	600,849	527,734	503,298	506,850
Total deposits	530,020	548,020	475,251	450,895	457,938
Borrowings	-	-	-	-	-
Total shareholders' equity	42,332	49,428	48,853	48,439	45,717
Loan to deposit ratio	47%	46%	51%	57%	56%
Book value per common share	\$ 13.85	\$ 16.30	\$ 16.14	\$ 16.02	\$ 15.16
Subsidiary Bank's Tier 1 leverage ratio	7.85%	8.13%	8.41%	8.42%	8.20%

Total gross loans were \$248.6 million as of March 31, 2022, which represents a decrease of \$2.1 million or 0.8% from \$250.7 million as of December 31, 2021 and a decrease of \$9.9 million or 3.8% from March 31, 2021. Excluding PPP loans, the Bank experienced net loan growth of \$756,000 or 0.3% since December 31, 2021 and an increase of \$31.4 million or 14.5% since March 31, 2021. For the quarter ended March 31, 2022, \$2.8 million of the \$3.9 million remaining PPP loans were forgiven with full payments received from the Small Business Administration. Total deposits of \$530.0 million as of March 31, 2022 represent a decrease of \$18.0 million or 3.3% from \$548.0 million as of December 31, 2021 and an increase of \$72.1 million or 15.7% from March 31, 2021. The quarter-over-quarter decline in deposits was nearly all attributed to the Bank's Yuba City office which benefits from seasonal agricultural related deposits that typically decline through mid-year and then rebuild later in the year. As of March 31, 2022, the Bank had no non-performing assets.

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

	For the Quarter Ended				
	Mar 31, 2022	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021
Total interest income	\$ 4,089	\$ 4,295	\$ 4,173	\$ 4,071	\$ 3,988
Total interest expense	140	147	153	156	160
Net interest income	3,949	4,148	4,020	3,915	3,828
Provision for loan losses	-	151	-	-	-
Total noninterest income	198	242	161	175	276
Total noninterest expense	2,567	2,340	2,265	2,275	2,388
Net income	1,142	1,392	1,397	1,315	1,245
Earnings per share - basic	\$ 0.38	\$ 0.46	\$ 0.46	\$ 0.43	\$ 0.42
Earnings per share - diluted	\$ 0.36	\$ 0.44	\$ 0.45	\$ 0.42	\$ 0.41
Net interest margin	2.85%	3.09%	3.21%	3.28%	3.26%
Net interest margin - tax equivalent	2.89%	3.13%	3.25%	3.33%	3.31%
Efficiency ratio	61.90%	53.32%	54.17%	55.62%	59.49%
Return on average assets	0.78%	1.00%	1.07%	1.05%	1.01%
Return on average equity	9.64%	11.16%	11.18%	11.24%	10.76%

Net interest income of \$3.9 million for the quarter ended March 31, 2022 is an increase of \$121,000 or 3.2% from the quarter ended March 31, 2021 and a decrease of \$199,000 or 4.8% from the quarter ended December 31, 2021. The quarter-over-quarter decrease is primarily attributed to a reduction in loan fee income related to PPP. As the volume of PPP loan forgiveness decreases, so does the recognition of PPP loan fee income. PPP loan fee income is fully recognized when a loan is forgiven or paid off.

CFO Reynolds stated, "During the first quarter, we saw a decline in total assets which was primarily due from expected agricultural deposit outflows but was also impacted by a decline in the market value of our investment securities portfolio. This decline in value was driven by an increase in expectations about future rate hikes, which led to a mark to market unrealized loss in the Bank's investment portfolio. It is important to note that this is strictly an accounting adjustment and our high-quality investment securities portfolio continues to perform as intended. While volatile interest rate markets will cause fluctuations in the market value of our investment securities portfolio, we expect that any unrealized loss will reduce over time and ultimately be eliminated as the bonds mature."

CEO John M. Jelavich stated, "We are pleased with our first quarter results. Our after-tax net income of \$1.1 million came in slightly better than we anticipated and was more reflective of our core earnings as the benefit of PPP had largely played out last year. Our credit quality remains very good and our core deposits, which exclude CDs, were up 18% year-over-year and bring considerable value to our franchise. Our Reno loan production office was successfully launched early in the quarter, and we are pleased with the momentum we are gaining there."

Jelavich continued, "After years of declining interest rates which have resulted in margin compression for our bank and the industry, we came into 2022 anticipating moderately higher interest rates. During the quarter, the Fed signaled it would likely move rates more aggressively to combat inflation. The markets reacted by pushing rates and volatility even higher. In addition, we now see many new layers of uncertainty including the war in Ukraine and lockdowns in Shanghai, both of which have added more strain on supply chains and pushed input prices higher. While there has been growing concern that higher rates could increase the likelihood of recession, we see businesses and consumers still sitting on a lot

of cash, job openings remain very high and strong demand for goods and services exist. These conditions do not immediately point to recession. While it will likely be months before clarity emerges, we do know that increasing interest rates and a steepening yield curve are necessary for increased margins and earnings in our industry. Looking through the present uncertainty, we now see an outcome where our earnings can be notably better than initially anticipated for 2023 and beyond.”

“Regardless of how the macro factors settle out, we believe we are well positioned in our markets and remain focused on delivering the relationship banking service that is valued by our customers,” 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.*