



## River Valley Community Bancorp Announces 4<sup>th</sup> Quarter and Annual Results (Unaudited); Opens Reno, Nevada Loan Production Office

Yuba City, California, January 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 December 31, 2021.

### Consolidated financial highlights:

- Total assets ended the year at \$600.8 million as of December 31, 2021, compared to \$496.5 million as of December 31, 2020, and \$527.7 million as of September 30, 2021. Total assets grew 21.0% during the year ended December 31, 2021.
- Net income for the quarter ended December 31, 2021, totaled \$1.4 million or \$0.44 per diluted share compared to \$1.3 million or \$0.46 per diluted share for the quarter ended December 31, 2020, and \$1.4 million or \$0.45 per diluted share for the quarter ended September 30, 2021. Net income for the year ended December 31, 2021, was \$5.4 million or \$1.73 per diluted share, which increased 28.0% from the previous year.
- Net interest income totaled \$4.2 million for the quarter ended December 31, 2021, compared to \$3.9 million for the quarter ended December 31, 2020, and \$4.0 million for the quarter ended September 30, 2021. Net interest income for the year ended December 31, 2021, was \$15.9 million which is an increase of 12.3% from the year ended December 31, 2020.

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

	As of				
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Total investment securities	\$ 227,775	\$ 200,099	\$ 171,710	\$ 169,698	\$ 168,939
Total loans, gross	250,670	243,689	258,816	258,504	257,740
PPP loans (non-core)	3,939	10,307	26,136	42,383	45,279
Total loans, excluding PPP	246,731	233,382	232,680	216,121	212,461
Allowance for loan losses	(3,513)	(3,362)	(3,362)	(3,362)	(3,470)
Total assets	600,849	527,734	503,298	506,850	496,487
Total deposits	548,020	475,251	450,895	457,938	445,162
Borrowings	-	-	-	-	-
Total shareholders' equity	49,428	48,853	48,439	45,717	46,782
Loan to deposit ratio	46%	51%	57%	56%	58%
Book value per common share	\$ 16.30	\$ 16.14	\$ 16.02	\$ 15.16	\$ 15.68
Subsidiary Bank's Tier 1 leverage ratio	8.13%	8.41%	8.42%	8.20%	8.01%

Total gross loans were \$250.6 million as of December 31, 2021, which represents a decrease of \$7.1 million or 2.7% from \$257.7 million as of December 31, 2020, and an increase of \$7.0 million or 2.9% from \$243.7 million as of September 30, 2021. The decrease in loans was driven primarily by PPP loan payoffs received during the twelve-month period ended December 31, 2021. Excluding PPP loans, the Bank experienced loan growth of \$34.3 million or 16.1% from December 31, 2020, and \$13.3 million or 5.7% from September 30, 2021 (22.9% annualized). Total deposits of \$548.0 million as of

December 31, 2021, represent an increase of \$102.9 million or 23.1% from \$445.1 million as of December 31, 2020, and an increase of \$72.8 million or 15.3% (61.2% annualized) from \$475.3 million as of September 30, 2021. As of December 31, 2021, the Bank's non-performing assets totaled \$225,000.

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

	For the Year Ended		Variance	
	Dec 31,	Dec 31,	Amount	Percent
	2021	2020		
Total interest income	\$ 16,525	\$ 15,942	\$ 583	3.7%
Total interest expense	617	1,775	(1,158)	-65.2%
Net interest income	15,908	14,167	1,741	12.3%
Provision for loan losses	151	1,000	(849)	-84.9%
Total noninterest income	855	3,260	(2,405)	-73.8%
Total noninterest expense	9,268	10,814	(1,546)	-14.3%
Net income	5,350	4,129	1,221	29.6%
Earnings per share - basic	\$ 1.77	\$ 1.39	\$ 0.38	27.2%
Earnings per share - diluted	\$ 1.73	\$ 1.35	\$ 0.38	28.0%
Net interest margin	3.20%	3.00%	0.20%	6.8%
Net interest margin - tax equivalent	3.25%	3.05%	0.20%	6.7%
Efficiency ratio	55.59%	72.27%	-16.68%	-23.1%
Return on average assets	1.03%	0.84%	0.19%	23.1%
Return on average equity	11.09%	9.64%	1.45%	15.0%

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

	For the Quarter Ended				
	Dec 31, 2021	Sep 30, 2021	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020
Total interest income	\$ 4,295	\$ 4,173	\$ 4,071	\$ 3,988	\$ 4,087
Total interest expense	147	153	156	160	228
Net interest income	4,148	4,020	3,915	3,828	3,859
Provision for loan losses	151	-	-	-	-
Total noninterest income	242	161	175	276	1,617
Total noninterest expense	2,340	2,265	2,275	2,388	3,553
Net income	1,392	1,397	1,315	1,245	1,405
Earnings per share - basic	\$ 0.46	\$ 0.46	\$ 0.43	\$ 0.42	\$ 0.47
Earnings per share - diluted	\$ 0.44	\$ 0.45	\$ 0.42	\$ 0.41	\$ 0.46
Net interest margin	3.09%	3.21%	3.28%	3.26%	3.24%
Net interest margin - tax equivalent	3.13%	3.25%	3.33%	3.31%	3.29%
Efficiency ratio	53.32%	54.17%	55.62%	59.49%	87.72%
Return on average assets	1.00%	1.07%	1.05%	1.01%	1.13%
Return on average equity	11.16%	11.18%	11.24%	10.76%	12.18%

Net interest income of \$15.9 million for the year ended December 31, 2021, is an increase of \$1.7 million or 12.3% from the year ended December 31, 2020. The Bank's net interest income continued to benefit from the accelerated recognition of fee income upon forgiveness of PPP loans. Further, the Bank's net interest income has benefited from strong, core non-PPP loan growth and the Bank's increased investment in debt securities. The Bank recognized provision for loan losses of \$151,000 during the quarter ended December 31, 2021, which is primarily attributable to the Bank's core non-PPP loan growth.

Concurrent with the announcement of fourth quarter earnings, the Company's Board of Directors approved the opening of a loan production office in Reno, NV. The office opened for business effective January 3, 2022.

CFO Kevin S. Reynolds commented, "The Bank recognized record net income for the year ended December 31, 2021. A significant driver for this achievement was the benefit recognized on the forgiveness of PPP loans. When PPP loans are forgiven the recognition of PPP fee income is accelerated, which provided a lift to the Bank's interest income on loans. The Bank received forgiveness payments of \$59.2 million on PPP loans during 2021. The Bank continues to enjoy ample liquidity and a balance sheet well positioned for loan growth."

CEO John M. Jelavich stated, "Despite many challenges, 2021 was a great year for the Bank. We are proud to have produced record earnings and total assets which exceeded \$600 million at year-end. We are also proud of the core loan and deposit growth we have achieved during the year. Notably, our deposit growth was heavily influenced by growth in demand deposits, which helped to lower our overall funding costs during the year. In addition, we also made significant investment in new banking technology and in the expansion of our lending and credit team, both of which position the Bank well for 2022 and beyond. Our team continued to demonstrate their adaptability and commitment to our customers, and we are very proud of the collective effort and positive impact the Bank has had on our communities."

Jelavich continued, "Looking into 2022, we anticipate having a solid year although we do not expect the earnings benefit provided by PPP that we experienced in 2021. We expect continued pressure on our margins due to the low interest rate environment we have experienced, however, the Fed's recent comments suggesting rate increases in 2022 bode well for future margin expansion and earnings for our bank and the industry."

"Last, we are pleased to be in a position to open our loan production office in Reno, Nevada. Between our Board, banking team and customers, we have many business ties into the Reno market. Reno is a large and growing market, and a market that values the relationship brand of business banking we currently provide in our adjacent northern California footprint. We look forward to leveraging these synergies and are excited about the opportunity to offer a relationship banking alternative in the Reno market." 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.*