



## **River Valley Community Bancorp Announces 5-for-4 Stock Split and 3<sup>rd</sup> Quarter Results (Unaudited)**

Yuba City, California, October 19, 2021 – 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, 2021.

Concurrent with the announcement of third quarter earnings, the Company’s Board of Directors approved a five-for-four split of the Company’s common stock (the “Split”). One of the primary purposes of the Split is to enhance the liquidity of the stock by making more shares available to all shareholders. Each shareholder of record at the close of business on October 29, 2021 will receive five shares for each four outstanding shares held on that record date. The shares relating to the Split will be issued and delivered to shareholders by electronic registration in the Direct Registration System (DRS) and a statement will be soon issued from the Bank’s transfer agent, Computershare Trust Co., reflecting the delivery of the shares. Beneficial shareholders who hold their shares in an account with a broker or other intermediary should expect to have their accounts updated to reflect the Split in accordance with the applicable intermediary's usual procedures. The Bank will not issue fractional shares as a result of the Split. In lieu thereof, each shareholder who would otherwise be entitled to receive a fractional share as a result of the Split will receive from the Bank, in cash, the fair value of such a fractional share. The Bank anticipates that trading will begin on a split-adjusted basis on November 1, 2021. In connection with the Split the below consolidated financial information presents per share data on both a pre-split and post-split basis.

### **Consolidated financial highlights:**

- Total assets totaled \$527.7 million as of September 30, 2021, compared to \$531.1 million as of September 30, 2020, and \$503.3 million as of June 30, 2021.
- Net income for the quarter ended September 30, 2021, totaled \$1.4 million or \$0.56 per diluted share (pre-split) compared to \$1.3 million or \$0.54 per diluted share for the quarter ended September 30, 2020, and \$1.3 million or \$0.53 per diluted share (pre-split) for the quarter ended June 30, 2021.
- Net interest income totaled \$4.0 million for the quarter ended September 30, 2021, compared to \$3.6 million for the quarter ended September 30, 2020, and \$3.9 million for the quarter ended June 30, 2021.

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

	<b>As of</b>				
	<b>Sep 30, 2021</b>	<b>Jun 30, 2021</b>	<b>Mar 31, 2021</b>	<b>Dec 31, 2020</b>	<b>Sep 30, 2020</b>
Total investment securities	\$ 200,099	\$ 171,710	\$ 169,698	\$ 168,939	\$ 181,460
Total loans, gross	243,689	258,816	258,504	257,740	263,621
PPP loans (non-core)	10,307	26,136	42,383	45,279	56,422
Total loans, excluding PPP	233,382	232,680	216,121	212,461	207,199
Allowance for loan losses	(3,362)	(3,362)	(3,362)	(3,470)	(3,518)
Total assets	527,734	503,298	506,850	496,487	531,065
Total deposits	475,251	450,895	457,938	445,162	400,774
Borrowings	-	-	-	-	80,000
Total shareholders' equity	48,853	48,439	45,717	46,782	45,731
Loan to deposit ratio	51%	57%	56%	58%	66%
Book value per common share (pre-split) \$	20.18	\$ 20.03	\$ 18.95	\$ 19.60	\$ 19.16
Book value per common share (post-split) \$	16.14	\$ 16.02	\$ 15.16	\$ 15.68	\$ 15.32
Subsidiary Bank's Tier 1 leverage ratio	8.41%	8.42%	8.20%	8.01%	7.36%

Total gross loans were \$243.7 million as of September 30, 2021, which represents a decrease of \$19.9 million or 7.6% from \$263.6 million as of September 30, 2020, and a decrease of \$15.1 million or 5.8% from \$258.8 million as of June 30, 2021. The decrease in loans was driven primarily by PPP loan payoffs received during the twelve-month and three-month periods ended September 30, 2021. Excluding PPP loans, the Bank experienced loan growth of \$26.2 million or 12.6% from September 30, 2020, and \$702,000 or 0.3% from June 30, 2021 (1.2% annualized). Total deposits of \$475.3 million as of September 30, 2021, represent an increase of \$74.5 million or 18.6% from \$400.8 million as of September 30, 2020, and an increase of \$24.4 million or 5.4% (21.6% annualized) from \$450.9 million as of June 30, 2021. As of September 30, 2021, the Bank's non-performing assets totaled \$227,000.

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

	<b>Nine Months Ended</b>		<b>Variance</b>	
	<b>Sept 30</b>	<b>Sept 30</b>	<b>Amount</b>	<b>Percent</b>
	<b>2021</b>	<b>2020</b>		
Total interest income	\$ 12,230	\$ 11,855	\$ 375	3.2%
Total interest expense	470	1,546	(1,076)	-69.6%
Net interest income	11,760	10,309	1,451	14.1%
Provision for loan losses	-	1,000	(1,000)	-100.0%
Total noninterest income	614	1,643	(1,029)	-62.6%
Total noninterest expense	6,928	7,262	(334)	-4.6%
Net income	3,957	2,724	1,233	45.3%
<b>Pre-Split</b>				
Earnings per share - basic	\$ 1.65	\$ 1.15	\$ 0.50	43.5%
Earnings per share - diluted	\$ 1.59	\$ 1.12	\$ 0.47	42.0%
<b>Post-Split</b>				
Earnings per share - basic	\$ 1.32	\$ 0.92	\$ 0.40	43.5%
Earnings per share - diluted	\$ 1.28	\$ 0.90	\$ 0.38	42.9%
Net interest margin	3.25%	2.92%	0.33%	11.2%
Net interest margin - tax equivalent	3.29%	2.96%	0.33%	11.1%
Efficiency ratio	56.40%	66.54%	-10.14%	-15.2%
Return on average assets	1.05%	0.74%	0.31%	41.2%
Return on average equity	11.06%	8.71%	2.36%	27.1%

**For the Quarter Ended**

	<b>Sep 30,</b>	<b>Jun 30,</b>	<b>Mar 31,</b>	<b>Dec 31,</b>	<b>Sep 30,</b>
	<b>2021</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>	<b>2020</b>
Total interest income	\$ 4,173	\$ 4,071	\$ 3,988	\$ 4,087	\$ 3,933
Total interest expense	153	156	160	228	366
Net interest income	4,020	3,915	3,828	3,859	3,567
Provision for loan losses	-	-	-	-	-
Total noninterest income	161	175	276	1,617	322
Total noninterest expense	2,265	2,275	2,388	3,553	2,081
Net income	1,397	1,315	1,245	1,405	1,324
<b>Pre-Split</b>					
Earnings per share - basic	\$ 0.58	\$ 0.54	\$ 0.52	\$ 0.59	\$ 0.56
Earnings per share - diluted	\$ 0.56	\$ 0.53	\$ 0.51	\$ 0.57	\$ 0.54
<b>Post-Split</b>					
Earnings per share - basic	\$ 0.46	\$ 0.43	\$ 0.42	\$ 0.47	\$ 0.45
Earnings per share - diluted	\$ 0.45	\$ 0.42	\$ 0.41	\$ 0.46	\$ 0.43
Net interest margin	3.21%	3.28%	3.26%	3.24%	2.85%
Net interest margin - tax equivalent	3.25%	3.33%	3.31%	3.29%	2.90%
Efficiency ratio	54.17%	55.62%	59.49%	87.72%	53.51%
Return on average assets	1.07%	1.05%	1.01%	1.13%	1.02%
Return on average equity	11.18%	11.24%	10.76%	12.18%	11.69%

Net interest income of \$4.0 million for the quarter ended September 30, 2021, is an increase of \$453,000 or 12.7% from the quarter ended September 30, 2020, and an increase of \$105,000 or 2.7% (10.7% annualized) from the quarter ended June 30, 2021. 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 also benefitted from core loan growth (excludes PPP), increases in the investment grade securities portfolio and lower interest expense.

CFO Kevin S. Reynolds commented, "Our outstanding PPP loan totals continued to decline during the third quarter as a function of increased PPP loan forgiveness. As PPP loans are forgiven, revenue recognition on deferred fees is accelerated into the current period which benefits our net interest income and margin. At the end of the quarter, we had about \$10.3 million in remaining PPP loans and we anticipate most of that being forgiven and paid off by the end of the year."

CEO John M. Jelavich stated, "Our third quarter marked another strong quarter for the Bank. We are particularly pleased with our new account activity and strong core deposit growth which have significantly lowered our interest expense this year. On the core lending side which excludes PPP loans, our third quarter loans outstanding had increased slightly from the second quarter as we rebuilt our pipeline after the strong second quarter core loan growth we experienced. We expect core loan growth to resume in the fourth quarter and the Bank remains on pace to have a record year with net income and total assets."

Jelavich continued, "While the economy appears poised for growth with strong demand for goods and services evident, friction remains in meeting that demand with ongoing supply chain bottlenecks, higher energy costs and labor availability. Recently we have seen increases in interest rates which can be a signal the markets believe improvements can follow. Moderate increases in longer term interest rates usually reflect a more robust economy and allow for margin expansion and increased profitability for our industry."

"Despite the macro uncertainty, we believe the Bank remains well positioned in our markets with significant liquidity to meet the lending and banking needs of our communities. We are pleased with the interest we continue to experience in the relationship brand of banking we offer," 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

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.*