



River Valley Community Bancorp Announces 2nd Quarter Results (Unaudited) and Stock Repurchase Plan

Yuba City, California, July 20, 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 June 30, 2021.

Consolidated financial highlights:

- Total assets totaled \$503.3 million as of June 30, 2021, compared to \$514.8 million as of June 30, 2020, and \$506.8 million as of March 31, 2021.
- Net income for the quarter ended June 30, 2021, totaled \$1.3 million or \$0.53 per diluted share compared to \$652,000 or \$0.27 per diluted share for the quarter ended June 30, 2020, and \$1.2 million or \$0.51 per diluted share for the quarter ended March 31, 2021.
- Net interest income totaled \$3.9 million for the quarter ended June 30, 2021, compared to \$3.5 million for the quarter ended June 30, 2020, and \$3.8 million for the quarter ended March 31, 2021.

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

	As of				
	Jun 30, 2021	Mar 31, 2021	Dec 31, 2020	Sep 30, 2020	Jun 30, 2020
Total investment securities	\$ 171,710	\$ 169,698	\$ 168,939	\$ 181,460	\$ 180,043
Total loans, gross	258,816	258,504	257,740	263,621	261,631
PPP loans	26,136	42,383	45,279	56,422	54,675
Total loans, excluding PPP	232,680	216,121	212,461	207,199	206,956
Allowance for loan losses	(3,362)	(3,362)	(3,470)	(3,518)	(3,518)
Total assets	503,298	506,850	496,487	531,065	514,768
Total deposits	450,895	457,938	445,162	400,774	387,378
Borrowings	-	-	-	80,000	80,000
Total shareholders' equity	48,439	45,717	46,782	45,731	43,195
Loan to deposit ratio	57%	56%	58%	66%	68%
Book value per common share	\$ 20.03	\$ 18.95	\$ 19.60	\$ 19.16	\$ 18.24
Subsidiary Bank's Tier 1 leverage ratio	8.42%	8.20%	8.01%	7.36%	7.35%

Total gross loans were \$258.8 million as of June 30, 2021, which represents a decrease of \$2.8 million or 1.1% from \$261.6 million as of June 30, 2020, and an increase of \$300,000 or 0.1% from \$258.5 million as of March 31, 2021. The decrease in loans was driven primarily by PPP loan payoffs received during the twelve-month and three-month periods ended June 30, 2021. Excluding PPP loans, the Bank experienced loan growth of \$25.7 million or 12.4% from June 30, 2020, and \$16.6 million or 7.7% from March 31, 2021 (30.6% annualized). Total deposits of \$450.9 million as of June 30, 2021, represent an increase of \$63.5 million or 16.4% from \$387.4 million as of June 30, 2020, and a decrease of \$7.0 million or 1.5% (6.2% annualized) from \$457.9 million as of March 31, 2021. The decline in deposits from March 31, 2021 is attributed primarily to agriculture related seasonal factors affecting our Yuba City office which, despite the decline, has record high deposits for this time of year. As of June 30, 2021, the Bank's non-performing assets totaled \$230,000.

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

	Six Months Ended		Variance	
	June 30	June 30	Amount	Percent
	2021	2020		
Total interest income	\$ 8,059	\$ 7,922	\$ 137	1.7%
Total interest expense	317	1,180	(863)	-73.1%
Net interest income	7,742	6,742	1,000	14.8%
Provision for loan losses	-	1,000	(1,000)	-100.0%
Total noninterest income	451	1,321	(870)	-65.9%
Total noninterest expense	4,663	5,181	(518)	-10.0%
Net income	2,561	1,399	1,162	83.0%
Earnings per share - basic	\$ 1.07	\$ 0.59	\$ 0.48	81.4%
Earnings per share - diluted	\$ 1.03	\$ 0.58	\$ 0.45	77.6%
Net interest margin	3.27%	2.96%	0.31%	10.4%
Net interest margin - tax equivalent	3.32%	3.00%	0.32%	10.6%
Efficiency ratio	57.55%	73.75%	-16.20%	-22.0%
Return on average assets	1.03%	0.59%	0.45%	75.6%
Return on average equity	11.00%	7.01%	3.99%	56.9%

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,
	2021	2021	2020	2020	2020
Total interest income	\$ 4,071	\$ 3,988	\$ 4,087	\$ 3,933	\$ 3,945
Total interest expense	156	160	228	366	447
Net interest income	3,915	3,828	3,859	3,567	3,497
Provision for loan losses	-	-	-	-	750
Total noninterest income	175	276	1,617	322	131
Total noninterest expense	2,275	2,388	3,553	2,081	2,039
Net income	1,315	1,245	1,405	1,324	652
Earnings per share - basic	\$ 0.54	\$ 0.52	\$ 0.59	\$ 0.56	\$ 0.28
Earnings per share - diluted	\$ 0.53	\$ 0.51	\$ 0.57	\$ 0.54	\$ 0.27
Net interest margin	3.28%	3.26%	3.24%	2.85%	2.92%
Net interest margin - tax equivalent	3.33%	3.31%	3.29%	2.90%	2.97%
Efficiency ratio	55.62%	59.49%	87.72%	53.51%	56.18%
Return on average assets	1.05%	1.01%	1.13%	1.02%	0.52%
Return on average equity	11.24%	10.76%	12.18%	11.69%	6.45%

Net interest income of \$3.9 million for the quarter ended June 30, 2021, is an increase of \$418,000 or 11.9% from the quarter ended June 30, 2020, and an increase of \$83,000 or 2.3% (9.1% annualized) from the quarter ended March 31, 2021. The Bank's net interest income continued to benefit from the recognition of fee income related to the forgiveness of PPP loans.

On July 20, 2021, the Board of Directors authorized a new stock repurchase plan for up to \$1,000,000 of the Company's outstanding common stock. Under the repurchase program, repurchases can be made from time to time in the open market purchases, privately negotiated transactions, or otherwise, all in accordance with applicable legal requirements. The purchase program will begin July 21, 2021, and will remain in effect until December 31, 2022. The specific timing, price, and size of purchases will depend on prevailing stock prices, general economic and market conditions, and other considerations. The Board of Directors has determined that the maximum aggregate repurchases will not impair the capital of the Company.

The repurchase program does not obligate the Company to acquire any amount of common stock and may be suspended or discontinued at any time at the Company's discretion. The stock repurchases program is intended to provide management with an effective mechanism for capital management, increased return on equity to our existing shareholders, and provide additional market liquidity for our common shares outstanding.

CFO Kevin S. Reynolds commented, "The Bank's net interest margin has been strong over the last few quarters benefiting from the accelerated recognition of PPP loan fee income as PPP loans are forgiven, which has contributed to our strong earnings achieved to date. The Bank remains well positioned with significant liquidity, solid earnings and sufficient capital to support our anticipated growth."

CEO John M. Jelavich stated, "We remain very pleased with the execution of our team and the continued growth we have achieved in our core deposits and loans. We continue to experience significant interest in the relationship brand of banking we offer and, with recent investment we have made in new systems and expanding our lending capacity, we are very well positioned to continue to meet the banking needs of our communities."

Jelavich continued, "The recent decline in longer term rates and flattening of the yield curve will put pressure on margins and earnings for our bank and our industry to the degree this environment persists. While the positive impact of Covid-19 vaccines is evident and strong consumer demand exists, there remain challenges with the availability of labor and supply chain disruption, affecting nearly every industry. Resolving these lingering effects of the pandemic will take time, but we believe the strength of underlying demand and the amount of liquidity in the system bode well for continued economic recovery and the return of a more normally shaped yield curve."

"We are pleased to be re-activating our share repurchase program. Having the ability to repurchase shares is an important capital management tool which can allow us to enhance liquidity in the trading of our shares as conditions warrant and provide additional value for our shareholders. Our strong balance sheet and earnings give us the ability to return capital while continuing to focus on growth and serving 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

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.