



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

Yuba City, California, April 21, 2020 – 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, 2020.

Consolidated financial highlights:

- Total assets as of March 31, 2020 totaled \$468.7 million compared to \$403.7 million as of March 31, 2019 and \$442.3 million as of December 31, 2019.
- Net income for the quarter ended March 31, 2020 totaled \$748,000 or \$0.31 per diluted share compared to \$876,000 or \$0.35 per diluted share for the quarter ended March 31, 2019 and \$964,000 or \$0.39 per diluted share for the quarter ended December 31, 2019.
- Net interest income totaled \$3.2 million for the quarter ended March 31, 2020 compared to \$3.0 million for the quarter ended March 31, 2019 and \$3.2 million for the quarter ended December 31, 2019.

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

	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Total investment securities	\$ 176,005	\$ 174,755	\$ 168,094	\$ 156,731	\$ 169,269
Total loans, gross	206,026	203,355	195,185	186,968	180,277
Allowance for loan losses	(2,768)	(2,546)	(2,425)	(2,322)	(2,265)
Total assets	468,714	442,310	419,308	402,663	383,337
Total deposits	342,172	337,129	314,091	271,932	268,763
Borrowings	85,000	65,000	65,000	85,000	80,000
Total shareholders' equity	39,047	37,797	38,042	36,108	33,219
Loan to deposit ratio	60%	60%	62%	69%	67%
Book value per common share	\$ 16.57	\$ 15.95	\$ 16.01	\$ 15.10	\$ 13.93
Subsidiary Bank's Tier 1 leverage ratio	7.92%	8.20%	8.30%	8.44%	8.34%

Total gross loans were \$206.0 million as of March 31, 2020, which represents an increase of \$25.7 million or 14.3% from \$180.3 million as of March 31, 2019. Total deposits of \$342.2 million as of March 31, 2020 represent an increase of \$73.4 million or 27.3% from \$268.8 million as of March 31, 2019. As of March 31, 2020, the Bank had no non-performing assets.

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

	Quarter Ended				
	Mar 31, 2020	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019
Total interest income	\$ 3,977	\$ 4,031	\$ 3,991	\$ 3,878	\$ 3,661
Total interest expense	733	838	873	799	693
Net interest income	3,244	3,192	3,118	3,079	2,968
Provision for loan losses	250	105	100	55	125
Total noninterest income	1,189	240	153	675	229
Total noninterest expense	3,142	1,998	1,850	1,847	1,892
Net income	748	964	962	1,357	876
Earnings per share - basic	\$ 0.32	\$ 0.41	\$ 0.40	\$ 0.57	\$ 0.37
Earnings per share - diluted	\$ 0.31	\$ 0.39	\$ 0.39	\$ 0.55	\$ 0.35
Net interest margin	3.00%	3.09%	3.19%	3.28%	3.26%
Net interest margin - tax equivalent	3.03%	3.12%	3.23%	3.35%	3.32%
Efficiency ratio	92.52%	59.49%	56.47%	57.24%	61.03%
Return on average assets	0.66%	0.89%	0.94%	1.37%	0.91%
Return on average equity	7.59%	9.99%	10.16%	15.94%	11.34%

Net interest income of \$3.2 million for the quarter ended March 31, 2020 is an increase of \$277,000 or 9.3% from the quarter ended March 31, 2019 and an increase of \$52,000 or 1.6% (6.5% annualized) from the quarter ended December 31, 2019. A provision for loan losses of \$250,000 was recognized during the quarter ended March 31, 2020, which is primarily attributable to elevated risks associated with the coronavirus pandemic. A non-recurring expense of \$928,000 was recognized during the quarter ended March 31, 2020 for costs related to the restructuring of outstanding borrowings. A \$10 million investment security was sold resulting in a gain of \$1.0 million, which offset the debt extinguishment costs.

CFO Michael Finn commented, "With borrowing rates reaching historical lows during March 2020, management executed a debt restructuring transaction to lock in long-term, low interest rates, which are expected to help counter narrower margins caused by falling market interest rates. Cash proceeds from the investment security sold were reinvested in high quality, municipal bonds with a weighted average yield comparable to the security sold. The bond market presented a unique opportunity to acquire municipal investments at temporarily higher yields for a short period of time during March, and management took advantage. The first quarter efficiency ratio would have been 65.20% had the debt extinguishment costs not been incurred."

CEO John M. Jelavich stated, "Coming into the first quarter, no one anticipated being in the midst of the current coronavirus pandemic. We have never seen such a strong economy virtually shut down as it did in a matter of weeks. While there is now talk of the economy opening up again soon, the severity of the impact on the markets and customers we serve cannot be determined at this time. We had no material adverse signs of deterioration in our credit portfolio at the end of the quarter. That said, the Bank quickly designed and implemented a loan deferral program to assist our borrowers with hardships related to the pandemic. We also increased the first quarter provision expense to reflect economic uncertainty related to the pandemic. Further adjustment to our provision may be necessary in future quarters, as more clarity around the economic impact on our borrowers becomes known."

“Despite the economic uncertainties, the merits of community banking have never been more clear, as our team has responded to the needs of customers during these difficult times. I couldn’t be more proud of our entire team, as they have demonstrated support for each other and a commitment to serving our customers. I am honored to be a part of this effort.” 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

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.*