



River Valley Community Bancorp Announces 4th Quarter and Annual Financial Results (Unaudited)

Yuba City, California, January 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 and year ended December 31, 2019.

Consolidated financial highlights:

- Total assets as of December 31, 2019 reached a new record level of \$442.3 million compared to \$377.0 million as of December 31, 2018.
- Net income for the year ended December 31, 2019 also reached a new record level of \$4.2 million or \$1.68 per diluted share compared to \$3.7 million or \$1.48 per diluted share for the year ended December 31, 2018.
- Net income for the quarter ended December 31, 2019 totaled \$1.0 million or \$0.39 per diluted share compared to \$0.8 million or \$0.32 per diluted share for the quarter ended December 31, 2018 and \$1.0 million or \$0.39 per diluted share for the quarter ended September 30, 2019.
- Net interest income totaled \$12.4 million for the year ended December 31, 2019 compared to \$10.7 million for the year ended December 31, 2018.
- Net interest income totaled \$3.2 million for the quarter ended December 31, 2019 compared to \$3.0 million for the quarter ended December 31, 2018 and \$3.1 million for the quarter ended September 30, 2019.

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

	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Total investment securities	\$ 174,755	\$ 168,094	\$ 156,731	\$ 169,269	\$ 158,476
Total loans, gross	203,057	194,920	186,735	180,066	168,727
Allowance for loan losses	(2,546)	(2,425)	(2,322)	(2,265)	(2,139)
Total assets	442,310	419,308	402,663	383,337	376,986
Total deposits	337,129	314,091	271,932	268,763	285,774
Borrowings	65,000	65,000	85,000	80,000	60,000
Total shareholders' equity	37,797	38,042	36,108	33,219	29,936
Loan to deposit ratio	60%	62%	69%	67%	59%
Book value per common share	\$ 15.95	\$ 16.01	\$ 15.10	\$ 13.93	\$ 12.56
Subsidiary Bank's Tier 1 leverage ratio	8.20%	8.30%	8.44%	8.34%	8.40%

Total gross loans were \$203.1 million as of December 31, 2019, which represents an increase of \$34.3 million or 20.3% from \$168.7 million as of December 31, 2018. As of December 31, 2019, the Bank had no non-accrual loans. Total deposits of \$337.1 million as of December 31, 2019 represent an increase of \$51.4 million or 18.0% from \$285.8 million as of December 31, 2018.

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

	Year Ended		Variance	
	Dec 31, 2019	Dec 31, 2018	Amount	Percent
Net interest income	\$ 12,357	\$ 10,727	\$ 1,629	15.2%
Provision for loan losses	385	130	255	196.2%
Net income	4,159	3,656	503	13.7%
Earnings per share - basic	\$ 1.75	\$ 1.53	\$ 0.22	14.4%
Earnings per share - diluted	\$ 1.68	\$ 1.48	\$ 0.20	13.5%
Net interest margin	3.20%	3.15%	0.05%	1.7%
Net interest margin - tax equivalent	3.25%	3.20%	0.06%	1.8%
Efficiency ratio	58.54%	55.65%	2.89%	5.2%
Return on average assets	1.02%	1.02%	0.00%	0.4%
Return on average equity	11.77%	12.60%	-0.83%	-6.6%

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

	Quarter Ended				
	Dec 31, 2019	Sep 30, 2019	Jun 30, 2019	Mar 31, 2019	Dec 31, 2018
Net interest income	\$ 3,192	\$ 3,118	\$ 3,079	\$ 2,968	\$ 2,958
Provision for loan losses	105	100	55	125	130
Net income	964	962	1,357	876	784
Earnings per share - basic	\$ 0.41	\$ 0.40	\$ 0.57	\$ 0.37	\$ 0.33
Earnings per share - diluted	\$ 0.39	\$ 0.39	\$ 0.55	\$ 0.35	\$ 0.32
Net interest margin	3.09%	3.19%	3.28%	3.26%	3.29%
Net interest margin - tax equivalent	3.12%	3.23%	3.35%	3.32%	3.35%
Efficiency ratio	59.49%	56.47%	57.24%	61.03%	63.71%
Return on average assets	0.89%	0.94%	1.37%	0.91%	0.83%
Return on average equity	9.99%	10.16%	15.94%	11.34%	10.52%

Net interest income of \$12.4 million for the year ended December 31, 2019 is an increase of \$1.6 million or 15.2% from the year ended December 31, 2018. Net interest income of \$3.2 million for the quarter ended December 31, 2019 is an increase of \$235,000 or 7.9% from the quarter ended December 31, 2018 and an increase of \$75,000 or 2.4% (9.6% annualized) from the quarter ended September 30, 2019. As a function of the Bank's loan growth, a provision expense of \$385,000 was realized during the year ended December 31, 2019.

CFO Michael Finn commented, "The Bank experienced significant deposit growth during the latter half of 2019, which is attributable to both recent branch expansion as well as further saturation in existing markets served by the Bank. Management reduced non-core funding sources as a result of the added deposits, which is contributing to lower funding costs. In October 2019, the Bank announced the upcoming addition of a branch office in Marysville. Costs incurred in preparation for the new branch and the addition of production related staff contributed to an increase in

the Bank's efficiency ratio during the fourth quarter, which management expects will stabilize and eventually decrease as the new branch approaches profitability and new staff contribute to core loan and deposit growth."

CEO John M. Jelavich stated, "Despite challenges associated with a lower interest rate environment and a flat yield curve, which persisted through most of 2019, we are very pleased with our Bank's performance. We ended 2019 with record net income as well as record loans and deposits in all three branches. The investment we have made in our newer Grass Valley and Auburn branches are contributing to our overall results. Grass Valley continues to provide meaningful contributions to our Bank's profitability and core deposit growth. In Auburn, which opened in late 2018, we experienced solid deposit and loan growth in 2019, and we anticipate that office reaching profitability in 2020. We expect to be opening our Marysville branch this spring and are encouraged by the positive response we have received from business and community leaders there. We believe our presence in Marysville will enhance our coverage of the greater Yuba Sutter Market while also leveraging existing synergies we have in the market."

"During the fourth quarter, the yield curve steepened moderately, which is helpful; however, long term rates are still relatively low. As long as this rate environment persists, margin pressures will likely remain for our industry. That said, we believe our geographic footprint, strong balance sheet, and demand for the local relationship banking service we provide position us well to continue to grow our loans and core deposits. We believe this growth can offset some of the impacts of low long term rates and will enable us to continue to generate value for our shareholders." 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 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.