



## River Valley Community Bancorp Announces 3<sup>rd</sup> Quarter Financial Results (Unaudited)

Yuba City, California, October 15, 2019 – 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 nine months ended September 30, 2019.

### Consolidated financial highlights:

- Total assets as of September 30, 2019 were \$419.3 million compared to \$364.2 million as of September 30, 2018 and \$377.0 million as of December 31, 2018.
- Net income for the nine months ended September 30, 2019 totaled \$3.2 million or \$1.29 per diluted share compared to \$2.9 million or \$1.16 per diluted share for the nine months ended September 30, 2018.
- Net income for the quarter ended September 30, 2019 totaled \$1.0 million or \$0.39 per diluted share compared to \$1.0 million or \$0.41 per diluted share for the quarter ended September 30, 2018 and \$1.4 million or \$0.55 per diluted share for the quarter ended June 30, 2019.
- Net interest income totaled \$9.2 million for the nine months ended September 30, 2019 compared to \$7.8 million for the nine months ended September 30, 2018.
- Net interest income totaled \$3.1 million for the quarter ended September 30, 2019 compared to \$2.8 million for the quarter ended September 30, 2018 and \$3.1 million for the quarter ended June 30, 2019.

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

|   | Sep 30,<br>2019 | Jun 30,<br>2019 | Mar 31,<br>2019 | Dec 31,<br>2018 | Sep 30,<br>2018 |
|---|-----------------|-----------------|-----------------|-----------------|-----------------|
| Total investment securities             | \$ 168,094      | \$ 156,731      | \$ 169,269      | \$ 158,476      | \$ 144,670      |
| Total loans, gross                      | 194,920         | 186,735         | 180,066         | 168,727         | 154,690         |
| Allowance for loan losses               | (2,425)         | (2,322)         | (2,265)         | (2,139)         | (2,007)         |
| Total assets                            | 419,308         | 402,663         | 383,337         | 376,986         | 364,236         |
| Total deposits                          | 314,091         | 271,932         | 268,763         | 285,774         | 264,033         |
| Borrowings                              | 65,000          | 85,000          | 80,000          | 60,000          | 70,000          |
| Total shareholders' equity              | 38,042          | 36,108          | 33,219          | 29,936          | 29,374          |
| Loan to deposit ratio                   | 62%             | 69%             | 67%             | 67%             | 59%             |
| Book value per common share             | \$ 16.01        | \$ 15.10        | \$ 13.93        | \$ 12.56        | \$ 12.03        |
| Subsidiary Bank's Tier 1 leverage ratio | 8.30%           | 8.44%           | 8.34%           | 8.40%           | 8.15%           |

Total gross loans were \$194.9 million as of September 30, 2019, which represents an increase of \$40.2 million or 26.0% from \$154.7 million as of September 30, 2018. As of September 30, 2019, the Bank had no non-accrual loans. Total deposits of \$314.1 million as of September 30, 2019 represent an increase of \$50.1 million or 19.0% from \$264.0 million as of September 30, 2018.

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

|                                      | <b>Nine Months Ended</b> |                | <b>Variance</b> |                |
|--------------------------------------|--------------------------|----------------|-----------------|----------------|
|                                      | <b>Sep 30,</b>           | <b>Sep 30,</b> | <b>Amount</b>   | <b>Percent</b> |
|                                      | <b>2019</b>              | <b>2018</b>    |                 |                |
| Net interest income                  | \$ 9,165                 | \$ 7,770       | \$ 1,395        | 18.0%          |
| Provision for loan losses            | 280                      | -              | 280             | N/A            |
| Net income                           | 3,195                    | 2,873          | 322             | 11.2%          |
| Earnings per share - basic           | \$ 1.34                  | \$ 1.20        | \$ 0.14         | 11.7%          |
| Earnings per share - diluted         | \$ 1.29                  | \$ 1.16        | \$ 0.13         | 11.2%          |
| Net interest margin                  | 3.24%                    | 3.10%          | 0.15%           | 4.7%           |
| Net interest margin - tax equivalent | 3.30%                    | 3.14%          | 0.16%           | 5.1%           |
| Efficiency ratio                     | 58.20%                   | 52.61%         | 5.59%           | 10.6%          |
| Return on average assets             | 1.07%                    | 1.09%          | -0.02%          | -1.6%          |
| Return on average equity             | 12.43%                   | 13.32%         | -0.88%          | -6.6%          |

|                                      | <b>Quarter Ended</b> |                |                |                |                |
|--------------------------------------|----------------------|----------------|----------------|----------------|----------------|
|                                      | <b>Sep 30,</b>       | <b>Jun 30,</b> | <b>Mar 31,</b> | <b>Dec 31,</b> | <b>Sep 30,</b> |
|                                      | <b>2019</b>          | <b>2019</b>    | <b>2019</b>    | <b>2018</b>    | <b>2018</b>    |
| Net interest income                  | \$ 3,118             | \$ 3,079       | \$ 2,968       | \$ 2,958       | \$ 2,768       |
| Provision for loan losses            | 100                  | 55             | 125            | 130            | -              |
| Net income                           | 962                  | 1,357          | 876            | 784            | 1,012          |
| Earnings per share - basic           | \$ 0.40              | \$ 0.57        | \$ 0.37        | \$ 0.33        | \$ 0.42        |
| Earnings per share - diluted         | \$ 0.39              | \$ 0.55        | \$ 0.35        | \$ 0.32        | \$ 0.41        |
| Net interest margin                  | 3.19%                | 3.28%          | 3.26%          | 3.29%          | 3.31%          |
| Net interest margin - tax equivalent | 3.23%                | 3.35%          | 3.32%          | 3.35%          | 3.37%          |
| Efficiency ratio                     | 56.47%               | 57.24%         | 61.03%         | 63.71%         | 52.56%         |
| Return on average assets             | 0.94%                | 1.37%          | 0.91%          | 0.83%          | 1.15%          |
| Return on average equity             | 10.16%               | 15.94%         | 11.34%         | 10.52%         | 13.70%         |

Net interest income of \$9.2 million for the nine months ended September 30, 2019 is an increase of \$1.4 million or 18.0% from the nine months ended September 30, 2018. Net interest income of \$3.1 million for the quarter ended September 30, 2019 is an increase of \$350,000 or 12.6% from the quarter ended September 30, 2018 and an increase of \$38,000 or 1.2% (5.0% annualized) from the quarter ended June 30, 2019. As a function of the Bank's loan growth, a provision expense of \$100,000 was realized during the quarter ended September 30, 2019.

CFO Michael Finn commented, "The Bank continues to improve its top line net interest income through general balance sheet growth as well as improvements in the mix of assets and liabilities. Efficiency ratios continue to improve, as new branch locations added in 2018 become more profitable. The Bank experienced a significant increase in its book value per share during 2019, primarily attributable to year-to-date net income of \$3.2 million and year-to-date increases in the after-tax net unrealized gains from the investment securities portfolio totaling \$5.2 million."

CEO John M. Jelavich stated, “We are pleased with our third quarter and year to-date results. The investment we made over the past year in new facilities and staff strengthens our ability to deliver our community banking services within our expanded footprint, which include Yuba, Sutter, Nevada, Placer and adjacent counties. Our Auburn office, which opened last September, is off to a strong start, and we now expect it to reach its stand-alone profitability early next year. Our relocated Grass Valley office continues to grow and add to the Bank’s profitability. We are tracking to achieve record results for the year and are well positioned to create longer-term value for our shareholders. We are fortunate to have a professional banking team that shares a passion for community banking and satisfaction in serving our customers, which has and will continue to enable our Bank’s growth.”

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.*