



River Valley Community Bancorp Announces 2nd Quarter Financial Results (Unaudited)

Yuba City, California, July 16, 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 six months ended June 30, 2019.

Consolidated financial highlights:

- Total assets as of June 30, 2019 were \$402.6 million compared to \$359.7 million as of June 30, 2018 and \$377.0 million as of December 31, 2018.
- Net income for the six months ended June 30, 2019 totaled \$2.2 million or \$0.90 per diluted share compared to \$1.9 million or \$0.75 per diluted share for the six months ended June 30, 2018.
- Net income for the quarter ended June 30, 2019 totaled \$1.4 million or \$0.55 per diluted share compared to \$1.0 million or \$0.42 per diluted share for the quarter ended June 30, 2018 and \$0.8 million or \$0.35 per diluted share for the quarter ended March 31, 2019.
- Net interest income totaled \$6.1 million for the six months ended June 30, 2019 compared to \$5.0 million for the six months ended June 30, 2018.
- Net interest income totaled \$3.1 million for the quarter ended June 30, 2019 compared to \$2.6 million for the quarter ended June 30, 2018 and \$3.0 million for the quarter ended March 31, 2019.

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

	June 30, 2019	March 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
Total investment securities	\$ 156,731	\$ 169,269	\$ 158,476	\$ 144,670	\$ 146,106
Total loans, gross	186,735	180,066	168,727	154,690	144,351
Allowance for loan losses	(2,322)	(2,265)	(2,139)	(2,007)	(2,005)
Total assets	402,663	383,337	376,986	364,236	359,711
Total deposits	271,932	268,763	285,774	264,033	260,249
Borrowings	85,000	80,000	60,000	70,000	70,000
Total shareholders' equity	36,108	33,219	29,936	29,374	28,701
Loan to deposit ratio	69%	67%	67%	59%	59%
Book value per common share	\$ 15.10	\$ 13.93	\$ 12.56	\$ 12.03	\$ 11.93
Subsidiary Bank's Tier 1 leverage ratio	8.44%	8.34%	8.40%	8.15%	8.29%

Total gross loans were \$186.7 million as of June 30, 2019, which represents an increase of \$42.4 million or 29.4% from \$144.4 million as of June 30, 2018. As of June 30, 2019, the Bank had no non-accrual loans. Total deposits of \$271.9 million as of June 30, 2019 represent an increase of \$11.7 million or 4.5% from \$260.2 million as of June 30, 2018.

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

	Six Months Ended		Variance	
	June 30, 2019	June 30, 2018	Amount	Percent
Net interest income	\$ 6,047	\$ 5,002	\$ 1,045	20.9%
Provision for loan losses	180	-	180	100.0%
Net income	2,233	1,861	373	20.0%
Earnings per share - basic	\$ 0.94	\$ 0.78	\$ 0.16	20.5%
Earnings per share - diluted	\$ 0.90	\$ 0.75	\$ 0.15	20.0%
Net interest margin	3.29%	3.00%	0.28%	9.4%
Net interest margin - tax equivalent	3.36%	3.04%	0.31%	10.3%
Efficiency ratio	59.10%	52.64%	6.46%	12.3%
Return on average assets	1.15%	1.06%	0.08%	8.0%
Return on average equity	13.83%	13.19%	0.64%	4.9%

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

	Quarter Ended				
	June 30, 2019	March 31, 2019	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018
Net interest income	\$ 3,079	\$ 2,968	\$ 2,958	\$ 2,768	\$ 2,639
Provision for loan losses	55	125	130	-	-
Net income	1,357	876	784	1,012	1,038
Earnings per share - basic	\$ 0.57	\$ 0.37	\$ 0.33	\$ 0.42	\$ 0.43
Earnings per share - diluted	\$ 0.55	\$ 0.35	\$ 0.32	\$ 0.41	\$ 0.42
Net interest margin	3.28%	3.26%	3.29%	3.31%	3.05%
Net interest margin - tax equivalent	3.35%	3.32%	3.35%	3.37%	3.11%
Efficiency ratio	57.24%	61.03%	63.71%	52.56%	50.68%
Return on average assets	1.37%	0.91%	0.83%	1.15%	1.14%
Return on average equity	15.94%	11.34%	10.52%	13.70%	14.42%

Net interest income of \$6.0 million for the six months ended June 30, 2019 is an increase of \$1.0 million or 20.9% from the six months ended June 30, 2018. Net interest income of \$3.1 million for the quarter ended June 30, 2019 is an increase of \$440,000 or 16.7% from the quarter ended June 30, 2018 and an increase of \$111,000 or 3.8% (15.0% annualized) from the quarter ended March 31, 2019. As a function of the Bank's loan growth, a provision expense of \$55,000 was realized during the quarter ended June 30, 2019.

CFO Michael Finn commented, "During the second quarter, events in fixed income markets presented management with an opportunity to sell and replace selected investment securities while reducing risk in the portfolio, generating a higher weighted average yield, and realizing approximately \$528,000 in net gains in the process, which contributed to our strong earnings for the quarter. The Bank is also experiencing improving efficiency ratios, as income generated at new branch locations added in 2018 is growing and helping to offset the costs of those locations."

CEO John M. Jelavich stated, "I am very pleased with the direction of the Bank and the results we have achieved to date. Our loan growth has been strong, and our credit quality remains good. We are seeing the positive diversification

impact that Auburn and Grass Valley bring to our deposit base, which is early validation of our game plan. Our Auburn office, which opened last fall, continues to maintain solid momentum and is working closer to achieving its stand-alone profitability.”

“From a macro perspective, during the second quarter, there was a significant decline in long term interest rates and a flattening of the yield curve, which to the degree this environment persists, could put pressure on margins for our Bank and our industry going forward. That said, we believe our Bank is well positioned for rate cycles as they may occur. We are fortunate to have a professional and engaged team who continue to deliver the local banking experience our customers desire, which is instrumental in generating long term 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.