



River Valley Community Bancorp Announces Annual and 4th Quarter Financial Results (Unaudited); Relocates Grass Valley, CA Branch

Yuba City, California, January 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 year ended December 31, 2018.

Consolidated financial highlights:

- Total assets as of December 31, 2018 were \$377.0 million compared to \$334.0 million as of December 31, 2017.
- Net income for the year ended December 31, 2018 totaled \$3.7 million or \$1.48 per diluted share compared to \$2.6 million or \$1.05 per diluted share for the year ended December 31, 2017.
- Net income for the quarter ended December 31, 2018 totaled \$784,000 or \$0.32 per diluted share compared to \$512,000 or \$0.21 per diluted share for the quarter ended December 31, 2017 and \$1,012,000 or \$0.41 per diluted share for the quarter ended September 30, 2018.
- Net interest income totaled \$10.7 million for the year ended December 31, 2018 compared to \$8.7 million for the year ended December 31, 2017.
- Net interest income totaled \$3.0 million for the quarter ended December 31, 2018 compared to \$2.1 million for the quarter ended December 31, 2017 and \$2.8 million for the quarter ended September 30, 2018.

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

	Dec 31, 2018	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017
Total investment securities	\$ 158,476	\$ 144,670	\$ 146,106	\$ 152,572	\$ 128,836
Total loans, gross	168,727	154,690	144,351	138,098	142,588
Allowance for loan losses	(2,139)	(2,007)	(2,005)	(2,003)	(2,000)
Total assets	376,986	364,236	359,711	346,096	333,982
Total deposits	285,774	264,033	260,249	265,485	255,105
Borrowings	60,000	70,000	70,000	50,000	50,000
Total shareholders' equity	29,936	29,374	28,701	28,552	28,119
Loan to deposit ratio	59%	59%	55%	52%	56%
Book value per common share	\$ 12.56	\$ 12.32	\$ 12.03	\$ 11.93	\$ 11.74
Subsidiary Bank's Tier 1 leverage ratio	8.40%	8.81%	8.15%	8.29%	8.23%

Total gross loans were \$168.7 million as of December 31, 2018, which represents an increase of \$26.1 million or 18.3% from \$142.6 million as of December 31, 2017. As of December 31, 2018 there were no non-accrual loans. Total deposits of \$285.8 million as of December 31, 2018 represent an increase of \$30.7 million or 12.0% from \$255.1 million as of December 31, 2017.

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

	Year Ended		Variance	
	Dec 31,	Dec 31,	Amount	Percent
	2018	2017		
Net interest income	\$ 10,727	\$ 8,741	\$ 1,986	22.7%
Provision for loan losses	130	65	65	101.4%
Net income	3,656	2,571	1,085	42.2%
Earnings per share - basic	\$ 1.53	\$ 1.08	\$ 0.45	41.7%
Earnings per share - diluted	\$ 1.48	\$ 1.05	\$ 0.43	41.0%
Net interest margin	3.15%	2.78%	0.37%	13.3%
Net interest margin - tax equivalent	3.20%	2.82%	0.37%	13.3%
Efficiency ratio	55.65%	53.23%	2.42%	4.6%
Return on average assets	1.02%	0.78%	0.24%	30.8%
Return on average equity	12.60%	9.43%	3.17%	33.6%

	Quarter Ended				
	Dec 31,	Sep 30,	Jun 30,	Mar 31,	Dec 31,
	2018	2018	2018	2018	2017
Net interest income	\$ 2,958	\$ 2,768	\$ 2,639	\$ 2,362	\$ 2,145
Provision for loan losses	130	-	-	-	(60)
Net income	784	1,012	1,038	823	512
Earnings per share - basic	\$ 0.33	\$ 0.42	\$ 0.43	\$ 0.34	\$ 0.21
Earnings per share - diluted	\$ 0.32	\$ 0.41	\$ 0.42	\$ 0.33	\$ 0.21
Net interest margin	3.29%	3.31%	3.05%	2.92%	2.64%
Net interest margin - tax equivalent	3.35%	3.37%	3.11%	2.94%	2.70%
Efficiency ratio	63.71%	52.56%	50.68%	54.85%	53.96%
Return on average assets	0.83%	1.15%	1.14%	0.97%	0.60%
Return on average equity	10.52%	13.70%	14.42%	11.77%	7.13%

Net interest income of \$10.7 million for the year ended December 31, 2018 is an increase of \$2.0 million or 22.7% from the year ended December 31, 2017. Net interest income of \$3.0 million for the quarter ended December 31, 2018 is an increase of \$813,000 or 37.9% from the quarter ended December 31, 2017 and an increase of \$189,000 or 6.8% (27.4% annualized) from the quarter ended September 30, 2018. As a function of the Bank's loan growth, a provision expense of \$130,000 was realized during the quarter ended December 31, 2018.

During the quarter ended December 31, 2018, the Bank incurred various nonrecurring expenses, which caused an increase in the efficiency ratio to 63.71%. These one-time expenses included costs related to the relocation of the Grass Valley, CA branch to a newly constructed facility, which occurred in December 2018.

CFO Michael Finn commented, "The Bank realized another record year with earnings of nearly \$3.7 million. While the tax reform passed by Congress in December 2017 added approximately \$0.5 million to the Bank's net income through lower income tax expense, the majority of earnings growth resulted from an increase in net interest income by \$2 million year-over-year, which was driven by strong growth in loans and deposits."

CEO John M. Jelavich stated, “During the fourth quarter, we completed construction of our permanent Grass Valley office and relocated our existing Grass Valley Branch into that office. We are very pleased with our new facility which is highly visible and provides our customers a convenient and comfortable place to conduct their banking. With the relocation of our Grass Valley branch and the opening of our new Auburn Branch in the third quarter, we have made significant investment in 2018 that will enable us to better provide our community banking services in these markets and continue to enhance our shareholder value over the long run.” Jelavich continued, “We are very pleased to end 2018 with our loans and deposits and annual earnings all at record levels. We carry good momentum into 2019 and believe we are well positioned for new opportunities in all of our markets.”

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.