



River Valley Community Bancorp Announces 3rd Quarter Financial Results (Unaudited); Opens Auburn CA Branch

Yuba City, California, October 16, 2018 – 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 September 30, 2018.

Consolidated financial highlights:

- Net income for the quarter ended September 30, 2018 totaled \$1,012,000 or \$0.41 per diluted share, compared to \$720,000 or \$0.29 per diluted share for the quarter ended September 30, 2017 and \$1,038,000 or \$0.42 per diluted share for the quarter ended June 30, 2018.
- Total assets as of September 30, 2018 were \$364.2 million compared to \$359.7 million as of September 30, 2017 and \$334.0 million as of December 31, 2017.
- Net interest income totaled \$2.8 million for the quarter ended September 30, 2018 compared to \$2.3 million for the quarter ended September 30, 2017 and \$2.6 million for the quarter ended June 30, 2018.

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

	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017
Total investment securities	\$ 144,670	\$ 146,106	\$ 152,572	\$ 128,836	\$ 145,424
Total loans, gross	154,690	144,351	138,098	142,588	139,554
Allowance for loan losses	(2,007)	(2,005)	(2,003)	(2,000)	(2,058)
Total assets	364,236	359,711	346,096	333,982	337,085
Total deposits	264,033	260,249	265,485	255,105	237,108
Borrowings	70,000	70,000	50,000	50,000	71,000
Total shareholders' equity	29,374	28,701	28,552	28,119	28,132
Loan to deposit ratio	59%	55%	52%	56%	59%
Book value per common share	\$ 12.32	\$ 12.03	\$ 11.93	\$ 11.74	\$ 11.74
Subsidiary Bank's Tier 1 leverage ratio	8.81%	8.15%	8.29%	8.23%	8.33%

Total gross loans were \$154.7 million as of September 30, 2018, which represents an increase of \$15.1 million or 10.8% from \$139.6 million as of September 30, 2017. As of September 30, 2018 there were no non-accrual loans. Total deposits of \$264.0 million as of September 30, 2018 represent an increase of \$26.9 million or 11.4% from \$237.1 million as of September 30, 2017.

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

	Sep 30, 2018	Jun 30, 2018	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017
Net interest income	\$ 2,768	\$ 2,639	\$ 2,362	\$ 2,145	\$ 2,297
Provision for loan losses	-	-	-	(60)	-
Net income	1,012	1,038	823	512	720
Earnings per share - basic	\$ 0.42	\$ 0.43	\$ 0.34	\$ 0.21	\$ 0.30
Earnings per share - diluted	\$ 0.41	\$ 0.42	\$ 0.33	\$ 0.21	\$ 0.29
Net interest margin	3.31%	3.05%	2.92%	2.64%	2.88%
Net interest margin - tax equivalent	3.37%	3.11%	2.94%	2.70%	2.96%
Efficiency ratio	52.56%	50.68%	54.85%	53.96%	53.71%
Return on average assets	1.15%	1.14%	0.97%	0.60%	0.87%
Return on average equity	13.70%	14.42%	11.77%	7.13%	10.23%

Net interest income of \$2.8 million for the quarter ended September 30, 2018 is an increase of \$471,000 or 20.5% from the quarter ended September 30, 2017 and an increase of \$129,000 or 4.9% (19.5% annualized) from the quarter ended June 30, 2018.

CFO Michael Finn commented, "The Bank realized another solid quarter with earnings exceeding \$1 million. Growth in loans and deposits has remained strong, which is continuing to drive up margins each quarter. The Bank's net interest margin was positively impacted by a non-recurring yield maintenance received on an investment security that prepaid during the quarter, which added about six basis points to our Net Interest Margin during the period."

CEO John M. Jelavich stated, "We remain encouraged by our team's execution of our Bank's growth plans. In September, we opened our Auburn office and we are off to a strong start there. As we have come to know the Auburn area better, it has only reinforced our view that serving this market is a very natural extension of our Bank." Jelavich continued, "In the near term, we do expect our non-interest expense to increase as a function of our growth; however we believe the investments we are making in our markets position us well to serve our customer base while generating solid returns for our shareholders over the longer term."

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
- 426 Sutton Way, Grass Valley, CA (relocating in the fall of 2018 to 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.