



## River Valley Community Bancorp Announces 1<sup>st</sup> Quarter Record Earnings (Unaudited)

Yuba City, California, April 17, 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 March 31, 2018.

Consolidated financial highlights:

- Net income for the quarter ended March 31, 2018 totaled \$823,000 or \$0.33 per diluted share, compared to \$629,000 or \$0.26 per diluted share for the quarter ended March 31, 2017 and \$512,000 or \$0.21 per diluted share for the quarter ended December 31, 2017.
- Total assets as of March 31, 2018 were \$346.1 million compared to \$319.4 million as of March 31, 2017 and \$334.0 million as of December 31, 2017.
- Net interest income totaled \$2.4 million for the quarter ended March 31, 2018 compared to \$2.1 million for the quarters ended March 31 and December 31, 2017.

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

	Mar 31, 2018	Dec 31, 2017	Sep 30, 2017	Jun 30, 2017	Mar 31, 2017
Total investment securities	\$ 152,572	\$ 128,836	\$ 145,424	\$ 149,189	\$ 150,226
Total loans, gross	138,098	142,588	139,554	136,041	131,440
Allowance for loan losses	(2,003)	(2,000)	(2,058)	(2,056)	(1,999)
Total assets	346,096	333,982	337,085	321,567	319,380
Total deposits	265,485	255,105	237,108	233,318	242,119
Borrowings	50,000	50,000	71,000	60,000	50,000
Total shareholders' equity	28,552	28,119	28,132	27,597	26,170
Loan to deposit ratio	52%	56%	59%	58%	54%
Book value per common share	\$ 11.93	\$ 11.74	\$ 11.74	\$ 11.55	\$ 10.96
Subsidiary Bank's Tier 1 leverage ratio	8.29%	8.23%	8.33%	8.19%	8.08%

Total gross loans were \$138.1 million as of March 31, 2018, which represents an increase of \$6.7 million or 5.1% from \$131.4 million as of March 31, 2017. Total deposits of \$265.5 million as of March 31, 2018 represent an increase of \$23.4 million or 9.7% from \$242.1 million as of March 31, 2017.

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

	<b>Mar 31, 2018</b>	<b>Dec 31, 2017</b>	<b>Sep 30, 2017</b>	<b>Jun 30, 2017</b>	<b>Mar 31, 2017</b>
Net interest income	\$ 2,362	\$ 2,145	\$ 2,297	\$ 2,186	\$ 2,123
Provision for loan losses	-	(60)	-	55	70
Net income	823	512	720	711	629
Earnings per share - basic	\$ 0.34	\$ 0.21	\$ 0.30	\$ 0.30	\$ 0.26
Earnings per share - diluted	\$ 0.33	\$ 0.21	\$ 0.29	\$ 0.29	\$ 0.26
Net interest margin	2.92%	2.64%	2.88%	2.81%	2.80%
Net interest margin - tax equivalent	2.94%	2.70%	2.96%	2.90%	2.91%
Efficiency ratio	54.85%	53.96%	53.71%	51.26%	54.20%
Return on average assets	0.97%	0.60%	0.87%	0.87%	0.79%
Return on average equity	11.77%	7.13%	10.23%	10.62%	9.90%

Net interest income of \$2.4 million for the quarter ended March 31, 2018 is an increase of \$239,000 or 11.3% from the quarter ended March 31, 2017 and an increase of \$217,000 or 10.1% from the quarter ended December 31, 2017. As a result of the Tax Cuts and Jobs Act signed into law in December 2017, the Bank's effective tax rate decreased from approximately 41% for the year ended December 31, 2017 to approximately 28% for the quarter ended March 31, 2018, resulting in a significant decrease in income tax expense.

CFO Michael Finn stated, "As expected, the Bank's 1<sup>st</sup> quarter earnings experienced a significant benefit due to tax reform, which lowered the Bank's federal tax rate to 21%. Additionally, interest income from loans and investment securities increased from the same quarter in the prior year by 14% and 15%, respectively."

CEO John M. Jelavich commented, "We are pleased with our record quarterly earnings and nearly 12% return on equity we achieved in the first quarter of 2018. Our core deposits as well as loans have shown solid growth over the past year and we continue to remain encouraged by the momentum we have established in our markets. While new loan volume has been a bit slow to start the year, we have seen recent strength in our pipeline and expect loan growth to occur over the balance of the year. Our strong efficiency ratio and balance sheet position us favorably to remain competitive in our markets while also generating solid returns for our shareholders."

The Bank is rated "5-Star Superior" by Bauer Financial and serves its customer base through its offices located at:

- 1629 Colusa Avenue, Yuba City, CA
- 426 Sutton Way, Grass Valley, 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.*