

River Valley Community Bank Announces Record Quarterly Results (Unaudited)

Yuba City, California, January 17, 2016 – River Valley Community Bank (OTC markets: RVVY) (the “Bank”) today announced financial results for the quarter ended December 31, 2016. For the third consecutive quarter, the Bank reached new record levels for balance sheet and earnings growth.

Financial highlights:

- Net income reached a record level for the quarter ended December 31, 2016 at \$648,000 or \$0.27 per basic share, compared to \$508,000 or \$0.22 per basic share for the quarter ended December 31, 2015 and \$562,000 or \$0.24 per basic share for the quarter ended September 30, 2016.
- Net income for the year ended December 31, 2016 totaled \$1,982,000 or \$0.84 per basic share, compared to \$1,730,000 or \$0.76 per basic share for the year ended December 31, 2015.
- Total assets also reached a record level ending the quarter at \$321.2 million compared to \$237.5 million as of December 31, 2015.
- Net interest income of \$2,058,000 for the quarter ended December 31, 2016 increased by \$357,000 or 21.0% from \$1,701,000 for the quarter ended December 31, 2015 and \$200,000 or 10.8% from \$1,858,000 for the quarter ended September 30, 2016.
- The Bank’s book value per share was \$10.60 per common share as of December 31, 2016 compared to \$9.95 as of December 31, 2015.

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

	Dec 31 2016	Sep 30, 2016	June 30, 2016	Mar 31, 2016	Dec 31, 2015
Total investment securities	\$ 143,633	\$ 108,321	\$ 98,675	\$ 103,467	\$ 92,917
Total loans, gross	125,036	120,890	112,446	106,635	106,974
Allowance for loan losses	(1,926)	(1,874)	(1,821)	(1,804)	(1,802)
Total assets	321,189	278,203	253,541	246,008	237,473
Total deposits	243,950	230,323	227,856	221,622	213,233
Borrowings	50,000	20,000	-	-	-
Total shareholders' equity	25,301	25,330	24,851	24,035	23,433
Loan to deposit ratio	51%	53%	49%	48%	50%
Book value per common share	\$ 10.60	\$ 10.62	\$ 10.50	\$ 10.18	\$ 9.95
Net interest income	\$ 2,058	\$ 1,858	\$ 1,775	\$ 1,737	\$ 1,701
Provision for loan losses	51	44	15	480	50
Net income	648	562	524	248	508
Earnings per share - basic	\$ 0.27	\$ 0.24	\$ 0.22	\$ 0.11	\$ 0.22
Net interest margin	3.02%	3.22%	3.09%	3.08%	3.11%
Efficiency ratio	50.53%	54.08%	59.45%	56.63%	55.68%
Return on average assets	0.87%	0.89%	0.86%	0.40%	0.85%
Return on average equity	10.13%	8.94%	8.60%	4.13%	8.67%

Total gross loans of \$125.0 million as of December 31, 2016 represent an increase of \$18.1 million or 16.9% from \$107.0 million as of December 31, 2015 and an increase of \$4.1 million or 3.4% from \$120.9 million as of September 30, 2016. As of December 31, 2016, the Bank had no past due or non accrual loans. Total deposits of \$244.0 million as of December 31, 2016 represent an increase of \$30.7 million or 14.4% from \$213.2 million as of December 31, 2015 and an increase of \$13.6 million or 5.9% from \$230.3 million as of September 30, 2016. For the third consecutive quarter, both total gross loans and total deposits ended the quarter at their highest levels in the Bank's history.

Net interest income of \$2.1 million for the quarter ended December 31, 2016 represents a new quarterly record for the Bank and an increase of \$357,000 or 21.0% from \$1.7 million for the quarter ended December 31, 2015. The primary contributors to this increase were growth in average loans and a strategy to better leverage the Bank's excess capital through purchases of investment securities using excess liquidity and Federal Home Loan Bank ("FHLB") borrowings. The Bank's net interest margin was 3.02% for the quarter ended December 31, 2016, down from 3.11% for the same quarter a year ago. The decrease is attributable to a significant increase in floating rate investment securities during the quarter ended December 31, 2016 purchased using FHLB borrowings. Although the margin on these additional investments is lower than that of the Bank's other earning assets, the leveraging strategy improves the Bank's earnings and return on average equity.

The Bank remains well capitalized as of December 31, 2016 with a Tier 1 leverage ratio above 8.0%.

CEO John M. Jelavich commented, "We are very pleased with our record results for 2016. During the fourth quarter, the Bank benefitted from a number of non-recurring items that collectively added about two cents to our earnings per share for the period. That said, we carry solid momentum into 2017, and at this point, the environment looks promising for our Bank."

River Valley Community Bank is rated "5-Star Superior" by Bauer Financial and has an "A" rating from DepositAccounts.com. The Bank 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 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.