



January 20, 2016

## **River Valley Community Bank Reports Record Net Income and Record Total Assets for 2015 (Unaudited)**

Yuba City, CA. River Valley Community Bank (OTC Markets: RVVY) headquartered in Yuba City, California today announced fourth quarter and full year 2015 results. During the fourth quarter, the Bank earned \$508,070 after tax or \$0.22 basic earnings per share compared to \$329,380 or \$0.15 per share earned in the fourth quarter of 2014. For the full year ended December 31, 2015, the Bank had record earnings of \$1,729,848 or \$0.76 basic earnings per share compared to \$1,110,539 or \$0.51 per basic earnings per share in 2014.

Total assets and total deposits both ended 2015 at record levels. Total assets at December 31, 2015 were \$237,472,669 and grew 12.4% from December 31, 2014. The Bank's deposits grew to \$213,232,998 at December 31, 2015 representing growth of 12.6% from December 31, 2014. Non Interest Bearing Deposits of \$75,796,585 increased 28.4% from year-end 2014. Gross loans at December 31, 2015 of \$106,974,231 increased 30.7% from the prior year-end and there were no non-accrual or past due loans at December 31, 2015.

The Bank's earnings during the fourth quarter also included an expense provision of \$50,000, which was added to the allowance for loan & lease losses (ALLL). With this provision, along with those taken in each of the previous three quarters, the Bank added \$210,000 to its allowance for future losses during the year ended December 31, 2015. These provisions are a function of the Bank's recent loan growth and compare to the total of \$12,500 for the year ended December 31, 2014. As of December 31, 2015, the ALLL stands at \$1,801,804 or 1.68% of gross loans.

Shareholder equity of \$23,432,839 at December 31, 2015 increased 10.9% from \$21,128,230 at year-end 2014, and the Bank continued to be well capitalized with a Tier 1 leverage ratio of 9.79% as of December 31, 2015. The Bank's growth in shareholder equity was primarily driven by record earnings achieved in 2015, the addition of new capital as a function of the exercise of stock options, and was partially offset by a decrease in the unrealized gains on the Bank's investment securities portfolio. The Bank's book value per share of \$9.95 increased from \$9.53 per share at year-end 2014.

The net interest margin (NIM) of 3.11% for the fourth quarter of 2015 was down slightly from 3.12% from the third quarter of 2015, but above the 2.65% achieved during the fourth quarter of 2014. The Bank's NIM for the full year ended December 31, 2015 of 2.99% had increased from 2.78% for the year ended December 31, 2014. Net interest income (NII) of \$6,212,191 for the year-ended December 31, 2015 increased 30.6% from the prior year; for the fourth quarter of 2015, NII of \$1,701,009 was up 33.4% from the corresponding period in 2014. While the Bank and the industry as a whole continued to be challenged by the low interest rate environment in recent years, the Bank's growth in the NIM and NII for 2015 was a function primarily of loan growth achieved and increases in the Bank's earning asset base. For the year ended December 31, 2015, the return on average assets (ROA) and return on average shareholder equity (ROE) were 0.77% and 7.74% respectively compared to 0.60% and 5.48% for the full year 2014. For the fourth quarter of 2015, the Bank's ROA and ROE were 0.85% and 8.67% respectively.

John M. Jelavich, President and CEO commented, “Our Bank’s record profitability for 2015 exceeded our expectations for the year. Our loan growth during the year drove our record net interest income and bottom-line profitability. In addition, we are pleased with the development of our Grass Valley office and expect its continued growth will expand its contribution to our profitability going forward.”

Jelavich continued, “Our team members are engaged and committed to delivering a banking experience that differentiates our Bank from others. Our strong five-star ratings, excellent customer service and local decision making also play into our success as is evident in our Bank’s growing deposit market share and in feedback we receive from new customers.”

“Entering 2016, we have seen the recent volatility in financial markets add to uncertainty and it is still unclear how long the volatility will persist or its impact on economic growth. That said, our Bank is strong, safe and secure and I remain confident in our ability to further serve our markets, which will help create long-term value for our shareholders,” Jelavich concluded.

River Valley Community Bank has been rated “5-Star Superior” by Bauer Financial for 30 consecutive quarters 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](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.*