



## River Valley Community Bank Announces Record Loan Growth and Strong First Quarter Earnings (Unaudited)

Yuba City, California, April 18, 2017 – River Valley Community Bank (OTC markets: RVVY) (the “Bank”) today announced financial results for the quarter ended March 31, 2017.

### Financial highlights:

- Net income for the quarter ended March 31, 2017 was \$629,000 or \$0.26 per basic share, compared to \$248,000 or \$0.11 per basic share for the quarter ended March 31, 2016 and \$648,000 or \$0.27 per basic share for the quarter ended December 31, 2016.
- Total assets were \$319.4 million as of March 31, 2017 compared to \$246.0 million as of March 31, 2016 and \$321.2 million as of December 31, 2016.
- Net interest income of \$2,123,000 for the quarter ended March 31, 2017 increased by \$386,000 or 22.2% from \$1,737,000 for the quarter ended March 31, 2016 and \$65,000 or 3.2% from \$2,058,000 for the quarter ended December 31, 2016.
- The Bank’s book value per share was \$10.96 per common share as of March 31, 2017 compared to \$10.18 as of March 31, 2016 and \$10.60 as of December 31, 2016.

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

	Mar 31 2017	Dec 31 2016	Sep 30, 2016	June 30, 2016	Mar 31, 2016
Total investment securities	\$ 150,226	\$ 143,633	\$ 108,321	\$ 98,675	\$ 103,467
Total loans, gross	131,440	125,036	120,890	112,446	106,635
Allowance for loan losses	(1,999)	(1,926)	(1,874)	(1,821)	(1,804)
Total assets	319,380	321,189	278,203	253,541	246,008
Total deposits	242,119	243,950	230,323	227,856	221,622
Borrowings	50,000	50,000	20,000	-	-
Total shareholders' equity	26,170	25,301	25,330	24,851	24,035
Loan to deposit ratio	54%	51%	53%	49%	48%
Book value per common share	\$ 10.96	\$ 10.60	\$ 10.62	\$ 10.50	\$ 10.18
Net interest income	\$ 2,123	\$ 2,058	\$ 1,858	\$ 1,775	\$ 1,737
Provision for loan losses	70	51	44	15	480
Net income	629	648	562	524	248
Earnings per share - basic	\$ 0.26	\$ 0.27	\$ 0.24	\$ 0.22	\$ 0.11
Net interest margin	2.76%	3.02%	3.22%	3.09%	3.08%
Efficiency ratio	54.13%	50.53%	54.08%	59.45%	56.63%
Return on average assets	0.78%	0.87%	0.89%	0.86%	0.40%
Return on average equity	9.77%	10.13%	8.94%	8.60%	4.13%

Total gross loans of \$131.4 million as of March 31, 2017 represent an increase of \$24.8 million or 23.3% from \$106.6 million as of March 31, 2016 and an increase of \$6.4 million or 5.1% from \$125.0 million as of December 31, 2016. As of March 31, 2017, the Bank had no nonperforming assets. Total deposits of \$242.1 million as of March 31, 2017 represent an increase of \$20.5 million or 9.2% from \$221.6 million as of March 31, 2016 and a decrease of \$1.8 million or 0.8% from \$244.0 million as of December 31, 2016.

Net interest income of \$2.1 million for the quarter ended March 31, 2017 represents a new quarterly record for the Bank and an increase of \$386,000 or 22.2% from \$1.7 million for the quarter ended March 31, 2016. The primary contributors to this increase were growth in average loans and management's 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 2.76% for the quarter ended March 31, 2017, down from 3.08% for the same quarter a year ago. The decrease is attributable to a significant increase in floating rate investment securities during the quarters ended December 31, 2016 and March 31, 2017 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 net income and return on average equity.

The Bank remains well capitalized as of March 31, 2017 with a Tier 1 leverage ratio above 8.0%.

CFO Michael Finn stated, "The Bank's strategy to leverage excess capital by purchasing investment securities utilizing both on and off balance sheet liquidity is proving to have a positive impact on net income and return on average equity. The Bank remains strong with capital ratios exceeding regulatory requirements."

CEO John M. Jelavich commented, "We are very pleased with our strong results for the first quarter of 2017, and believe the Bank remains well positioned for continued success. Our strong loan growth is expected to drive growth in our interest income. Furthermore, our Bank operates highly efficiently, as measured by our efficiency ratio, which positions us well for addressing market opportunities and in making further investment in our Bank's growth."

"As has been previously announced, the Bank is in the process of forming a holding company and good progress is being made on that initiative. This new corporate structure will provide us with additional flexibility in our capital management, supports our continued growth, and enhances our ability to serve our markets," Jelavich concluded.

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](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.*