



April 16, 2015

River Valley Community Bank Reports Strong First Quarter Earnings and Asset Growth

Yuba City, Calif. River Valley Community Bank (OTC Markets: RVVY) headquartered in Yuba City, California reported earnings (Unaudited) of \$340,574 or \$.19 basic earnings per share for the period ending March 31, 2015. This compares to \$222,063 or \$.13 per share earned in the first quarter of 2014.

Total Assets and Deposits of \$224,159,423 and \$201,404,071 were up 28.2% and 30.3% respectively from March 31, 2014; Non-Interest Bearing Deposits were up 50.6%. Gross Loans grew 44.3% to \$89,162,883 and there were no past due or non-accrual loans at quarter's end. The Bank's equity increased 9.3% from the prior year period to \$22,014,505. This increase in equity was driven primarily by the Bank's earnings, but was also positively impacted by increased capital as a function of stock option exercises, increases in unrealized gains on investment securities and was partially offset by a special cash dividend paid to shareholders in May of 2014. As a result, the Bank's Book Value per share of \$12.10 increased from \$11.60 per share at the end of the prior year period.

Net Interest Income for the first quarter of \$1,405,547 increased 24.3% from \$1,130,478 in March 31, 2014. This increase was driven primarily by the increase in Gross Loans, however the Bank's growth enabled the expansion of the investment securities portfolio which generated increased income compared to the year earlier period. The Bank's Net Interest Margin (NIM) was 2.78% in the first quarter, down slightly from 2.80% a year ago. Return on Average Equity and Return on Average Assets were 6.41% and 0.62% respectively compared to 4.49% and 0.51% in last year's first quarter.

The Bank's earnings during the quarter also include an additional expense provision of \$50,000 which was added to the Allowance for Loan & Lease Losses (ALLL). This provision was a function of the Bank's recent loan growth and there was no comparable provision made during the first quarter of 2014. The Bank's ALLL of \$1,637,304 now represents 1.84% of gross loans, which remains above the average of 1.54% for its peer group of 395 similar institutions (as published by the FFIEC's UBPR as of 12/31/14, the most recent peer report available).

John M. Jelavich, President and CEO commented, "The Bank is off to a solid start in 2015. Our first quarter results show that previous investments we have made are paying off. Our Grass Valley office is developing such that we now expect that operation to approach the breakeven point during the second quarter and be additive to our profitability thereafter. The local and responsive banking experience we deliver has been well received and we remain very encouraged about continued opportunities to serve this market."

Jelavich continued, "In addition to Grass Valley, we continue to make solid progress in our Yuba/Sutter market where we have also experienced strong deposit and loan growth. Over the past year, we have invested in our ability to support our continued growth by adding key support positions and re-aligning some existing personnel. I'm very proud of how our team has settled in and responded to the opportunities presented our Bank".

"We have executed well on our plans and, barring any unforeseen economic downturn, I remain optimistic about our ability to further grow and support the markets we serve", Jelavich concluded.

River Valley Community 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 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.