

October 16, 2014

River Valley Community Bank Posts Strong Third Quarter Growth

Yuba City CA. River Valley Community Bank (OTC Markets: RVVY) headquartered in Yuba City, California, earned, after tax, \$281,290 or \$0.16 basic earnings per share for the quarter ending September 30, 2014. This compares to \$279,135 or \$0.16 earned in the corresponding quarter a year ago.

As of September 30th, total Assets and Deposits were \$197,789,803 and \$176,728,978 respectively; Assets increased 34% while Deposits rose 38% from a year earlier. Gross Loans grew 27% from September 30, 2013 to \$76,557,438. There were no past due or nonaccrual loans at quarter's end. The Allowance for Loan and Lease losses (ALLL) now stands at \$1,575,304 or 2.06% of Gross Loans.

Shareholder Equity increased to \$20,386,664 from \$19,518,798 at September 30, 2013. During the same period book value has increased from \$11.32 to \$11.73 per share.

Net Interest Income for the third quarter of \$1,214,763 increased 12% from \$1,084,731 in the quarter ended September 30, 2013. This increase was primarily a function of the Bank's loan growth over the prior year. The Bank's Net Interest Margin (NIM) of 2.87% had decreased from 3.22% in 3Q 2013, however was up from 2.80% in the first and second quarters of 2014. Return on average shareholder equity and return on average assets were at 5.52% and .61% respectively at quarter's end.

John M. Jelavich, President and Chief Executive Officer commented, "We had a very strong third quarter and are pleased with the Bank's growth so far this year. While our Bank and our industry continue to be challenged by lower margins, our loan growth has more than offset the impact of compressing margins resulting in increases in our interest income. In light of this growth, during the third quarter we added an experienced professional to our credit team to assist in the underwriting, monitoring and management of our loan portfolio. We also resumed our provisioning with a nominal addition to our allowance for loan losses during the quarter and expect to continue to add further in the future as a function of our growing loan portfolio. Again, these actions were taken in support of our growth – our credit performance continues to be excellent."

Jelavich continued, "During the third quarter, we also saw a significant increase in our deposits, particularly our demand deposits, which at \$76.5 million, had increased from \$67.0 million in June and \$44.3 million last September. Given the transactional nature of these deposits, we expect some of the recent increases to flow back out during the fourth quarter; however we also expect any outflow to be offset by seasonal increases we tend to experience in the fourth quarter."

While the market environment remains very competitive, I am pleased with the execution of our banking team and I remain encouraged by the interest new customers are showing in River Valley Community Bank," Jelavich concluded.

River Valley Community 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.

- Finance
- Investment & Company Information

Contact:

River Valley Community Bank

John M. Jelavich, 530-821-2469