



January 14, 2015

River Valley Community Bank Reports 2014 Net Income of \$1,110,539; Total Assets now exceed \$211 million (Unaudited)

Yuba City, CA. River Valley Community Bank (OTC Markets: RVVY) headquartered in Yuba City, California today announced fourth quarter and full year 2014 results. During the fourth quarter, the Bank earned \$329,380 after tax or \$.19 basic earnings per share compared to \$267,398 or \$.15 per share earned in the Fourth Quarter of 2013.

For the full year, the Bank earned \$1,110,539 or \$.64 basic earnings per share compared to \$1,246,480 or \$.72 per basic earnings per share in 2013. The change in earnings was due primarily to the Bank's investment in its new Grass Valley Branch which opened in the third quarter of 2013 and continues to progress towards achieving its ongoing profitability.

Total Assets and Deposits of \$211,289,376 and \$189,425,841 were up 27% and 29% respectively and Non Interest Bearing Deposits of \$59,044,464 increased 26% from year end 2013. Gross Loans increased 29% to \$81,865,574 from the prior year and there were no non-accrual or past due loans at year end. The Allowance for Loan and Lease losses (ALLL) now stands at \$1,586,204 or 1.94% of Gross Loans.

Shareholder Equity of \$21,117,102 increased 7% from \$19,765,654 at year end 2013 and the Bank continued to be well capitalized with a Tier 1 leverage Ratio of 9.93%. Book Value of \$11.91 increased from \$11.40 at year end 2013 and is noteworthy considering the Bank paid a special cash dividend to shareholders of \$0.35 per share in May of 2014.

The Net Interest Margin (NIM) of 2.78% was down from 3.17% in 2013. The lower NIM was a function primarily of the lower rate environment in which new assets were deployed and some existing earning assets re-priced at lower prevailing rates. However, Net Interest Income (NII) increased 7% to \$4,758,182 in 2014 from 2013; for the fourth quarter, NII of \$1,275,456 was up 15% from the same period in 2013. The increase in NII was driven primarily by the loan growth achieved in 2014. For the year, the Return on Average Assets (ROA) and Return on Shareholder Equity (ROE) were 0.60% and 5.48% respectively. For the fourth quarter of 2014, the Bank's ROA and ROE were 0.63% and 6.30% respectively.

John M. Jelavich, President and CEO commented, "Our team executed on our plans exceptionally well in 2014. We achieved solid loan growth which more than offset the impact of decreasing margins and, as a result, we are now seeing resumption in the growth of our top-line interest income."

Jelavich continued, "Our strong deposit growth reflects the solid financial foundation we have established and the confidence our customers have in our Bank. We also see our presence continue to build in the Grass Valley market and the results from that operation strengthen with each passing quarter."

"We have achieved considerable growth in 2014 and enhanced our capacity to maintain and manage this growth with the addition of several new team members; and, as we carry good momentum into 2015, I remain confident in our ability to make continued progress in the markets we serve." 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.

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