



River Valley Community Bank Announces Quarterly Results (Unaudited)

Yuba City, California, October 18, 2016 – River Valley Community Bank (OTC markets: RVVY) (the “Bank”) today announced financial results for the quarter ended September 30, 2016. For the second consecutive quarter, the Bank reached new record levels for balance sheet and earnings growth.

Financial highlights:

- Net income reached a record level for the quarter ended September 30, 2016 at \$562,000 or \$0.24 per basic share, compared to \$491,000 or \$0.22 per basic share for the quarter ended September 30, 2015 and \$524,000 or \$0.22 per basic share for the quarter ended June 30, 2016.
- Total assets also reached a record level ending the quarter at \$278.2 million compared to \$218.3 million as of September 30, 2015 and \$237.5 million as of December 31, 2015.
- Net interest income of \$1,858,000 for the quarter ended September 30, 2016 increased by \$255,000 or 15.9% from \$1,603,000 for the quarter ended September 30, 2015 and \$83,000 or 4.7% from \$1,775,000 for the quarter ended June 30, 2016.
- The Bank’s book value per share increased to \$10.62 per common share as of September 30, 2016 compared to \$9.95 as of December 31, 2015 and \$9.91 as of September 30, 2015.

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

| | Sep 30, 2016 | June 30, 2016 | Mar 31, 2016 | Dec 31, 2015 | Sep 30, 2015 |
|-----------------------------|-----------------|------------------|-----------------|-----------------|-----------------|
| Total investment securities | \$ 108,321 | \$ 98,675 | \$ 103,467 | \$ 92,917 | \$ 87,259 |
| Total loans, gross | 120,890 | 112,446 | 106,635 | 106,974 | 106,136 |
| Allowance for loan losses | (1,874) | (1,821) | (1,804) | (1,802) | (1,750) |
| Total assets | 278,203 | 253,541 | 246,008 | 237,473 | 218,262 |
| Total deposits | 230,323 | 227,856 | 221,622 | 213,233 | 194,421 |
| Borrowings | 20,000 | - | - | - | - |
| Total shareholders' equity | 25,330 | 24,851 | 24,035 | 23,433 | 22,700 |
| Loan to deposit ratio | 53% | 49% | 48% | 50% | 55% |
| Book value per common share | \$ 10.62 | \$ 10.50 | \$ 10.18 | \$ 9.95 | \$ 9.91 |
| Net interest income | \$ 1,858 | \$ 1,775 | \$ 1,737 | \$ 1,701 | \$ 1,603 |
| Provision for loan losses | 44 | 15 | 480 | 50 | 60 |
| Net income | 562 | 524 | 248 | 508 | 491 |
| Earnings per share - basic | \$ 0.24 | \$ 0.22 | \$ 0.11 | \$ 0.22 | \$ 0.22 |
| Net interest margin | 3.21% | 3.09% | 3.08% | 3.11% | 3.12% |
| Efficiency ratio | 53.91% | 59.45% | 56.63% | 55.68% | 55.75% |
| Return on average assets | 0.89% | 0.86% | 0.40% | 0.85% | 0.88% |
| Return on average equity | 8.84% | 8.60% | 4.13% | 8.67% | 8.69% |

Total gross loans of \$120.9 million as of September 30, 2016 represent an increase of \$13.9 million or 13.0% from \$107.0 million as of December 31, 2015 and an increase of \$14.8 million or 13.9% from \$106.1 million as of September 30, 2015. Total deposits of \$230.3 million as of September 30, 2016 represent an increase of \$17.1 million or 8.0% from \$213.2 million as of December 31, 2015 and an increase of \$35.9 million or 18.5% from \$194.4 million as of September 30, 2015. For the second consecutive quarter, both total gross loans and total deposits ended the quarter at their highest levels in the Bank's history.

Net interest income of \$1.86 million for the quarter ended September 30, 2016 represents a new quarterly record for the Bank and an increase of \$255,000 or 15.9% from \$1.60 million for the quarter ended September 30, 2015. The primary contributors to this increase were growth in average loans and purchases of investment securities using excess liquidity over the same period. The Bank's net interest margin was 3.21% for the third quarter of 2016, up from 3.12% for the same quarter a year ago.

Michael Finn, Executive Vice President and CFO commented, "In late September, the Bank received an advance of \$20 million from its line of credit with the Federal Home Loan Bank. The proceeds are being used to purchase highly rated, floating rate investment securities, allowing the Bank to better utilize its excess capital. At quarter end, the Bank's Tier 1 Leverage ratio remained above 9.5%."

John M. Jelavich, President and CEO commented, "The Bank registered the best quarter in its ten year history with new record levels reached in several key areas, including total assets and net income. During the quarter, we saw continued interest in our Bank, as reflected by our new account activity. We also experienced solid loan growth, and the credit quality in our loan portfolio remained strong."

"Our favorable capital position has enabled us to further increase our operating leverage and add to our investment securities portfolio. Due to the high credit quality and variable rate nature of the additional investments, we expect lower margins on that segment of the portfolio; however, these incremental earning assets are expected to drive increased earnings for the Bank going forward." 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 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.