



## River Valley Community Bank Announces Quarterly Results (Unaudited)

Yuba City, California, April 19, 2016 – River Valley Community Bank (OTC markets: RVVY) (the “Bank”) today announced financial results for the quarter ended March 31, 2016. Net income available to common shareholders for the quarter ended March 31, 2016 was \$247,600 or \$0.11 per basic share, compared to \$341,000 or \$0.19 per basic share for the quarter ended March 31, 2015.

Financial highlights for the quarter ended March 31, 2016:

- Net interest income of \$1,737,000 for the quarter ended March 31, 2016 increased by \$331,000 or 23.5% over \$1,406,000 for the quarter ended March 31, 2015 and an improvement of \$36,000 or 2.1% over \$1,701,000 for the quarter ended December 31, 2015.
- Provision for loan losses of \$480,000 for the first quarter of 2016 was an increase from \$50,000 for the first and fourth quarters of 2015. The Bank recognized a charge of \$480,000 for a classified loan during the first quarter of 2016.
- Total assets of \$246.0 million as of March 31, 2016 increased \$21.8 million or 9.7% from March 31, 2015.
- The Bank’s book value per share increased to \$10.18 per common share as of March 31, 2016 compared to \$9.95 as of December 31, 2015 and \$9.68 as of March 31, 2015.

**Table 1**  
**Selected Financial Information - Unaudited**  
**(dollar amounts in thousands, except per share data)**

	Mar 31, 2016	Dec 31, 2015	Sep 30, 2015	Jun 30, 2015	Mar 31, 2015
Total investment securities	\$ 103,467	\$ 92,917	\$ 87,259	\$ 94,950	\$ 93,408
Total loans, gross	106,635	106,974	106,136	94,549	89,163
Allowance for loan losses	(1,804)	(1,802)	(1,750)	(1,689)	(1,637)
Total assets	246,008	237,473	218,262	226,534	224,159
Total deposits	221,622	213,233	194,421	203,612	201,404
Total shareholders' equity	24,035	23,433	22,700	22,062	22,015
Loan to deposit ratio	48%	50%	55%	46%	44%
Book value per common share	\$ 10.18	\$ 9.95	\$ 9.91	\$ 9.66	\$ 9.68
Net interest income	\$ 1,737	\$ 1,701	\$ 1,603	\$ 1,502	\$ 1,406
Provision for loan losses	480	50	60	50	50
Net income	248	508	491	390	341
Earnings per share - basic	\$ 0.11	\$ 0.22	\$ 0.27	\$ 0.21	\$ 0.19
Net interest margin	3.07%	3.11%	3.12%	2.95%	2.78%
Return on average assets	0.40%	0.85%	0.88%	0.70%	0.62%
Return on average equity	4.13%	8.67%	8.69%	7.06%	6.41%

Total deposits increased \$8.4 million or 3.9% during the quarter to \$221.6 million as of March 31, 2016 compared to \$213.2 million as of December 31, 2015 and increased by \$20.2 million or 10.0% from March 31, 2015.

Total gross loans of \$106.6 million as of March 31, 2016 remained relatively consistent from December 31, 2015 and had increased \$17.5 million or 19.6% from March 31, 2015.

On April 1, 2016, management was notified of a substandard borrower that announced its business closure and reported insolvency. The Bank's loan to the borrower of approximately \$480,000 had been under close monitoring despite being current through March 31, 2016 with regard to principal and interest payments. Although the loan is secured, its collection remains uncertain. Consequently, the Bank charged off the loan in full effective March 31, 2016, as the conditions leading to the business closure were present as of that date. After the charge-off, the Bank's classified loans totaled only \$166,000 as of March 31, 2016 compared to \$815,000 as of December 31, 2015 and \$1.5 million as of March 31, 2015. The ending allowance for loan losses of \$1.8 million at March 31, 2016 represents 1.69% of total gross loans. There were no past-due or non-accrual loans as of March 31, 2016.

Net interest income of \$1.74 million for the quarter ended March 31, 2016 represents a new quarterly record for the Bank and an increase of \$331,000 or 23.5% from \$1.41 million for the quarter ended March 31, 2015. The primary contributors to this increase were growth in average loans and excess liquidity from deposit growth being used to increase the Bank's investment portfolio over the same period. The Bank's net interest margin was 3.07% for the first quarter of 2016, up from 2.78% for the same quarter a year ago.

John M. Jelavich, President and CEO commented: "Our first quarter results reflect continued growth achieved by the Bank. Total assets and deposits achieved record levels, and our top line interest income also achieved a record quarterly high for the Bank." Jelavich continued, "Unfortunately, we experienced a loan loss of \$480,000 at the end of the quarter; and while our decision to charge off the loan effectively puts this behind us, we will continue to pursue full recovery." Jelavich concluded, "The fact that we were able to absorb this loan loss and still generate \$247,600 in after tax net income for the quarter speaks to the earnings strength we have established. The credit quality of the Bank's loan and investment portfolios remains strong, with no nonperforming assets and only \$166,000 of classified loans as of quarter-end."

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.*