



**River Valley Community Bancorp Announces Record Earnings and Loan Growth for Second Quarter (Unaudited)**

Yuba City, California, July 18, 2017 – River Valley Community Bancorp (OTC markets: RVCB) with its wholly owned subsidiary, River Valley Community Bank (collectively referred to as the “Bank”), today announced financial results for the quarter ended June 30, 2017.

Consolidated financial highlights:

- Net income for the quarter ended June 30, 2017 reached a record level of \$711,000 or \$0.30 per basic share, compared to \$524,000 or \$0.22 per basic share for the quarter ended June 30, 2016 and \$629,000 or \$0.26 per basic share for the quarter ended March 31, 2017.
- Total assets totaled \$321.6 million as of June 30, 2017 compared to \$253.5.0 million as of June 30, 2016 and \$321.2 million as of December 31, 2016.
- Net interest income reached a record level of \$2,186,000 for the quarter ended June 30, 2017 increasing by \$411,000 or 23.2% from \$1,775,000 for the quarter ended June 30, 2016 and \$63,000 or 3.0% from \$2,123,000 for the quarter ended March 31, 2017.
- The Bank’s book value per share reached a record level of \$11.55 per common share as of June 30, 2017 compared to \$10.50 as of June 30, 2016 and \$10.60 as of December 31, 2016.

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

	<u>Jun 30,</u> <u>2017</u>	<u>Mar 31,</u> <u>2017</u>	<u>Dec 31,</u> <u>2016</u>	<u>Sep 30,</u> <u>2016</u>	<u>June 30,</u> <u>2016</u>
Total investment securities	\$ 149,189	\$ 150,226	\$ 143,633	\$ 108,321	\$ 98,675
Total loans, gross	136,041	131,440	125,036	120,890	112,446
Allowance for loan losses	(2,056)	(1,999)	(1,926)	(1,874)	(1,821)
Total assets	321,567	319,380	321,189	278,203	253,541
Total deposits	233,318	242,119	243,950	230,323	227,856
Borrowings	60,000	50,000	50,000	20,000	-
Total shareholders' equity	27,597	26,170	25,301	25,330	24,851
Loan to deposit ratio	58%	54%	51%	53%	49%
Book value per common share	\$ 11.55	\$ 10.96	\$ 10.60	\$ 10.62	\$ 10.50
Net interest income	\$ 2,186	\$ 2,123	\$ 2,058	\$ 1,858	\$ 1,775
Provision for loan losses	55	70	51	44	15
Net income	711	629	648	562	524
Earnings per share - basic	\$ 0.30	\$ 0.26	\$ 0.27	\$ 0.24	\$ 0.22
Net interest margin	2.80%	2.76%	3.02%	3.22%	3.09%
Efficiency ratio	51.25%	54.13%	50.53%	54.08%	59.45%
Return on average assets	0.87%	0.78%	0.87%	0.89%	0.86%
Return on average equity	10.59%	9.77%	10.13%	8.94%	8.60%

Total gross loans reached a record level of \$136.0 million as of June 30, 2017 represent an increase of \$23.6 million or 21.0% from \$112.4 million as of June 30, 2016 and an increase of \$4.6 million or 3.5% from \$125.0 million as of December 31, 2016. As of June 30, 2017, the Bank had no nonperforming assets. Total deposits of \$233.3 million as of June 30, 2017 represent an increase of \$5.5 million or 2.4% from \$227.9 million as of June 30, 2016 and a decrease of \$8.8 million or 3.6% from \$244.0 million as of December 31, 2016.

Net interest income of \$2.2 million for the quarter ended June 30, 2017 represents an increase of \$411,000 or 23.2% from \$1.8 million for the quarter ended June 30, 2016. The primary contributors to this increase were growth in average loans and management's strategy to better leverage the Bank's excess capital through purchases of investment securities using excess liquidity and Federal Home Loan Bank ("FHLB") borrowings. The Bank's net interest margin was 2.80% for the quarter ended June 30, 2017, down from 3.09% for the same quarter a year ago. The decrease is attributable to a significant increase in floating rate investment securities during the past three quarters purchased using FHLB borrowings. Although the margin on these additional investments is lower than that of the Bank's other earning assets, the leveraging strategy improves the Bank's net income and return on average equity. The Bank remains well capitalized as of June 30, 2017 with a Tier 1 leverage ratio above 8.0%.

In June 2017, the Bank closed escrow on the purchase of a parcel of land in Grass Valley, California for the future construction of a permanent branch location.

CFO Michael Finn stated, "The Bank's net interest income has steadily improved each quarter and reached another record level for the three months ended June 30, 2017. The addition of quality loans and investment securities has contributed to continued growth in interest income."

CEO John M. Jelavich commented, "Our team continues to execute well, and that is reflected in the record loan growth we have achieved. That growth, coupled with our investment returns and strong operating efficiency have been instrumental in driving the increases in profitability and return on shareholders equity that we have achieved in recent quarters." Jelavich continued, "We are also very encouraged by the progress we are making in establishing our permanent branch location in Grass Valley. If all goes as planned, our new office there should be complete and our relocation can occur by the fall of next year. Having an office of our own, designed around how we serve our customers, will enhance our ability to serve that market".

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.*