

**April 16, 2012**

## **River Valley Community Bank's Assets and Loans hit record levels; earnings improve (Unaudited)**

River Valley Community Bank (OTCBB: RVVY.OB) headquartered in Yuba City, California earned, after tax, \$335,728 or \$.20 basic earnings per share for the quarter ending March 31, 2012. This represents a 35% increase over the \$249,678 and \$.15 per share posted in first quarter of 2011. The Bank, which opened in June of 2006 has now posted 19 consecutive profitable quarters.

Total Assets and Deposits were \$143,595,267 and \$124,111,115; assets were up 1% while deposits dropped by 1% respectively from the previous year. Gross loans grew 22% from a year ago to \$50,163,581. Again, there were no loans past due 30 days or more at the end of the quarter; there were also no loans on nonaccrual status. As a result of the improving credit quality there were no expenses charged to Allowance for Loan and Lease Losses (ALLL) during the quarter; ALLL currently stands at \$1,595,570, or 3.18% of gross loans.

Shareholder Equity increased by 12% over March 31, 2011. The gain was primarily driven by earnings and, to a lesser degree, by the unrealized gains in the investment portfolio. Book Value per share increased from \$9.59 at March 31, 2011 to \$10.76 at the end of the first quarter of this year; this compared to \$10.67 at December 31, 2011.

Net Interest Income (NII) increased 4% over the corresponding quarter a year ago primarily resulting from the significant loan growth accompanied by a lower cost of funds. The Efficiency Ratio was 60% for the quarter compared to 61% reported a year earlier. Return on Average Equity and Return on Average Assets were 7.30% and 0.95% respectively, compared to 6.23% and 0.73% in the first quarter a year ago.

John I. Jelavich, President and CEO commented, "We are pleased with our Q-1 performance, particularly with our year over year loan growth. The realignment and refocus of our lending team continues to produce the expected results and the loan pipeline remains healthy. While Net Interest Margin compression continues to be a challenge our increased loan income more than offsets lower investment yields and prepayments", Jelavich added.

"While deposits have increased from year end 2011, they are down slightly from March 31st, of last year. California rice prices, for example, have declined in recent months and that reflects in our current deposit levels. Notwithstanding the above, we continue to establish quality new account relationships at a steady pace. We are finding that most new clients are seeking a quality, local, and less complex bank as opposed to a too big to fail institution. We believe we continue to be positioned to move forward as the premier local community bank", Jelavich concluded.

River Valley Community Bank is located at 1629 Colusa Avenue, Yuba City, California. For more information please contact John Jelavich at 530-821-2460 or visit our website at: [www.rivervalleycommunitybank.com](http://www.rivervalleycommunitybank.com).

*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.*