

October 13, 2011

## River Valley Community Bank continues earnings streak; posts solid quarterly results (Unaudited)

River Valley Community Bank (OTCBB: RVVY) headquartered in Yuba City, California reported net income of \$340,693 for the quarter ended September 30, 2011. This is a 37% increase over the \$248,145 recorded on September 30, 2010 and the Bank's seventeenth consecutive quarterly profit. For the quarter, the Bank's basic earnings per share was \$.20 compared to \$.14 in the corresponding quarter a year ago. Net Interest Income increased 12% to \$1,210,529 from a year ago while the Net Interest Margin further compressed to 3.9% from 4.3% at September 30, 2010. The provision for loan losses was \$50,000 in the quarter compared to \$150,000 charged during the third quarter of 2010. The Allowance for Loan and Lease Losses was 3.74% of Gross Loans at quarter's end compared to 3.01% at September 30, 2010.

Total Assets and Deposits as of September 30, 2011 were \$131,972,267 and \$112,718,748 compared to \$123,869,550 and \$106,457,505 respectively in the prior year's period, reflecting 7% and 6% growth. Gross Loans were at \$42,394,189 at quarter's end compared to \$42,840,660 last year, a 1% decrease year over year. Investment Securities ended the quarter at \$79,163,618, a 24% increase from September 30, 2010; the diversified portfolio reflected a mark-to-market gain of \$2,181,221 at quarter's end, an all time high. Total Equity of \$18,034,820 at September 30, 2011 also is an all time high and 9% more than the \$16,621,630 reported a year ago. The Bank's Tier 1 Leverage Capital Ratio was at 12.5% at September 30, 2011. Return on Equity of 7.68%, Return on Assets of 1.01%, and an Efficiency Ratio of 57.08% for the quarter also continue to rank favorably based on current industry comparisons.

John I. Jelavich, President and Chief Executive Officer commented, "We continue to produce solid overall results and continue to build a stronger financial position in very difficult times. Book Value per share has steadily increased from \$9.51 at December 31, 2010 to \$10.50 at September 30, 2011, a remarkable achievement. Loan growth remains challenging, industry wide, and our bank is no exception; we are strengthening our loan team, improving systems and are preparing to grow the portfolio in the future. Our credit quality remains stable. Deposit growth slowed in the third quarter, partially due to seasonal factors. However, the annual deposit market share data just released by the FDIC indicates that the Bank overwhelmingly grew market share more than the other eleven FDIC insured banks in the Yuba City Metropolitan Statistical Area as of June 30, 2011. Based on this report, the Bank's market share is now 7.44%, an achievement we are proud of after just celebrating our fifth anniversary. The five institutions with larger percentage shares all are much larger, older institutions, all having multi branch locations and are headquartered outside of our market area. While pleased with our successes, we continue to remain cautious because of the current economic uncertainties; we are also dealing with shrinking margins resulting from lower rates driven by recent actions of the Federal Reserve Bank. Despite it all, we believe we are positioned for continued success," 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.*