

Juniata Valley Financial Corp. and Subsidiary
Consolidated Statements of Financial Condition
(in thousands, except share data)

	Unaudited December 31, 2016	December 31, 2015
<u>ASSETS</u>		
Cash and due from banks	\$ 9,464	\$ 10,385
Interest bearing deposits with banks	95	73
Cash and cash equivalents	9,559	10,458
Interest bearing time deposits with banks	350	350
Securities available for sale	150,488	152,327
Restricted investment in Federal Home Loan Bank (FHLB) stock	3,610	3,509
Investment in unconsolidated subsidiary	4,703	4,553
Residential mortgage loans held for sale	-	125
Student loans held for sale	-	1,683
Total loans	378,297	377,043
Less: Allowance for loan losses	(2,723)	(2,478)
Total loans, net of allowance for loan losses	375,574	374,565
Premises and equipment, net	6,857	6,909
Other real estate owned	638	617
Bank owned life insurance and annuities	14,631	14,905
Investment in low income housing partnership	3,812	3,368
Core deposit and other intangible	262	366
Goodwill	5,448	5,381
Mortgage servicing rights	205	205
Accrued interest receivable and other assets	4,217	4,607
Total assets	\$ 580,354	\$ 583,928
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 104,006	\$ 106,667
Interest bearing	351,816	350,459
Total deposits	455,822	457,126
Securities sold under agreements to repurchase	4,496	4,996
Short-term borrowings	27,700	30,061
Long-term debt	25,000	22,500
Other interest bearing liabilities	1,545	1,471
Accrued interest payable and other liabilities	6,701	7,812
Total liabilities	521,264	523,966
Stockholders' Equity:		
Preferred stock, no par value:		
Authorized - 500,000 shares, none issued	-	-
Common stock, par value \$1.00 per share:		
Authorized - 20,000,000 shares		
Issued -		
4,805,000 shares at December 31, 2016;		
4,798,086 shares at December 31, 2015		
Outstanding -		
4,755,630 shares at December 31, 2016;		
4,798,086 shares at December 31, 2015	4,805	4,798
Surplus	18,476	18,352
Retained earnings	39,945	39,015
Accumulated other comprehensive loss	(3,209)	(2,203)
Cost of common stock in Treasury:		
49,370 shares at December 31, 2016	(927)	-
Total stockholders' equity	59,090	59,962
Total liabilities and stockholders' equity	\$ 580,354	\$ 583,928

Juniata Valley Financial Corp. and Subsidiary

Consolidated Statements of Income

(Unaudited, in thousands, except share data)

	Three Months Ended		Twelve Months Ended	
	December 31,		December 31,	
	2016	2015	2016	2015
Interest income:				
Loans, including fees	\$ 4,404	\$ 3,920	\$ 17,559	\$ 14,645
Taxable securities	644	610	2,475	2,267
Tax-exempt securities	104	120	418	465
Other interest income	4	1	17	2
Total interest income	5,156	4,651	20,469	17,379
Interest expense:				
Deposits	461	397	1,811	1,677
Securities sold under agreements to repurchase	2	1	5	5
Short-term borrowings	45	27	94	63
Long-term debt	87	70	328	275
Other interest bearing liabilities	8	7	30	22
Total interest expense	603	502	2,268	2,042
Net interest income	4,553	4,149	18,201	15,337
Provision for loan losses	100	200	466	502
Net interest income after provision for loan losses	4,453	3,949	17,735	14,835
Non-interest income:				
Customer service fees	457	414	1,736	1,563
Debit card fee income	275	223	1,044	866
Earnings on bank-owned life insurance and annuities	87	90	371	378
Trust fees	139	126	454	396
Commissions from sales of non-deposit products	42	78	223	347
Income from unconsolidated subsidiary	59	67	222	238
Fees derived from loan activity	57	52	232	187
Mortgage banking income	52	46	158	190
Gain on sales and calls of securities	84	11	218	13
Gain on sales of loans	-	-	113	-
Gain on life insurance proceeds	-	-	364	98
Other non-interest income	71	75	283	229
Total non-interest income	1,323	1,182	5,418	4,505
Non-interest expense:				
Employee compensation expense	1,617	1,611	6,883	6,095
Employee benefits	602	357	2,301	1,816
Occupancy	290	263	1,137	1,039
Equipment	169	145	661	519
Data processing expense	449	423	1,807	1,589
Director compensation	62	43	238	192
Professional fees	134	109	539	430
Taxes, other than income	118	95	437	368
FDIC Insurance premiums	80	82	375	318
Loss (gain) loss on sales of other real estate owned	94	(1)	150	(14)
Amortization of intangibles	19	18	105	51
Amortization of investment in low-income housing partnership	120	120	479	479
Merger and acquisition expense	(25)	1,595	347	1,806
Other non-interest expense	493	412	1,719	1,511
Total non-interest expense	4,222	5,272	17,178	16,199
Income before income taxes	1,554	(141)	5,975	3,141
Income tax provision (benefit)	252	(266)	819	83
Net income	\$ 1,302	\$ 125	\$ 5,156	\$ 3,058
Earnings per share				
Basic	\$ 0.27	\$ 0.02	\$ 1.07	\$ 0.72
Diluted	\$ 0.27	\$ 0.02	\$ 1.07	\$ 0.72
Cash dividends declared per share	\$ 0.22	\$ 0.22	\$ 0.88	\$ 0.88
Weighted average basic shares outstanding	4,802,559	4,393,700	4,801,245	4,240,319
Weighted average diluted shares outstanding	4,806,590	4,394,438	4,802,175	4,241,265