

PRESS RELEASE

Juniata Valley Financial Corp. Announces Earnings and Declares Dividend

Mifflintown, PA –October 27, 2011-- Marcie A. Barber, President and Chief Executive Officer of Juniata Valley Financial Corp. (OTC BB: JUVF), announced that net income for the nine months ended September 30, 2011 was \$3,544,000 in comparison to \$3,611,000 for the same period in 2010. Basic earnings per share were \$0.84 for each period. Ms. Barber commented, "Despite a challenging and uncertain economy, JVB is delivering a consistently solid return to our shareholders."

Total assets increased by 4.4%, to \$454.8 million, from December 31, 2010 to September 30, 2011, with this asset growth funded by deposit growth of 4.9%. The nine-month results were primarily attributed to the change in average loan to deposit ratio from 81.7% in 2010 to 74.0% in 2011, resulting in a reduction in the net interest margin.

Juniata Valley's 2011 third quarter performance, in terms of net income of \$1,214,000, increased by 11.3% in comparison to net income for the second quarter of 2011. Earnings per share increased by 11.5% in the third quarter of 2011 as compared to the previous calendar quarter. Net interest income in the most recent quarter was \$51,000 lower than in the previous quarter due primarily to lower average loan balances. The provision for loan losses was \$56,000 lower in the third quarter of 2011 than in the second quarter of 2011 and the ratio of the allowance to total loans remained at 0.99% at the end of the two periods. Non-interest income in the third quarter of 2011 increased by \$18,000, or 1.8%, compared to non-interest income in the previous quarter, primarily due to increased trust fee income. Non-interest expense was \$176,000 lower in the third quarter of 2011 compared to the second quarter of 2011 due to lower employee compensation and benefits expense.

As compared to the same quarter one year ago, net income in the third quarter of 2011 decreased 5.5%. The decrease in net income in the third quarter of 2011 versus the third quarter of 2010 primarily resulted from a decrease in net interest income, related to a decline in outstanding loans, partially offset by an increase in non-interest income. Juniata Valley's third quarter earnings and key performance ratios, including return on average assets (ROA), return on average equity (ROE) and earnings per share (EPS), in comparison to both previous quarters, are shown in the table below.

	Quarter Ended				
	September 30, 2011	June 30, 2011		September 30, 2010	
	Results	Results	% Change	Results	% Change
Net Income	\$ 1,214,000	\$ 1,091,000	11.3%	\$ 1,285,000	-5.5%
ROA	1.07%	0.99%	8.1%	1.16%	-7.8%
ROE	9.57%	8.68%	10.3%	10.15%	-5.7%
EPS (basic and fully diluted)	\$ 0.29	\$ 0.26	11.5%	\$ 0.30	-3.3%

Ms. Barber also announced that, on October 18, 2011, Juniata Valley Financial Corp.'s Board of Directors declared a cash dividend of \$0.22 per share for the fourth quarter of 2011, payable on December 1 to shareholders of record on November 15, an increase of 4.8% over 2010's third quarter dividend.

Management considers subsequent events occurring after the balance sheet date for matters which may require adjustment to, or disclosure in, the consolidated financial statements. The review period for

subsequent events extends up to and including the filing date of a public company's consolidated financial statements when filed with the Securities and Exchange Commission ("SEC"). Accordingly, the financial information in this announcement is subject to change.

The Juniata Valley Bank, the principal subsidiary of Juniata Valley Financial Corp., is headquartered in Mifflintown, Pennsylvania, with twelve community offices located in Juniata, Mifflin, Perry and Huntingdon Counties. In addition, Juniata Valley owns 39.16% of the First National Bank of Liverpool, which it carries under the equity method of accounting. More information regarding Juniata Valley Financial Corp. and The Juniata Valley Bank can be found online at www.JVBonline.com. Juniata Valley Financial Corp. trades over the counter under the symbol JUVF.OB.

*This press release may contain "forward looking" information as defined by the Private Securities Litigation Reform Act of 1995. When words such as "believes", "expects", "anticipates" or similar expressions are used in this release, Juniata Valley is making forward-looking statements. Such information is based on Juniata Valley's current expectations, estimates and projections about future events and financial trends affecting the financial condition of its business. These statements are not historical facts or guarantees of future performance, events or results. Such statements involve potential risks and uncertainties and, accordingly, actual results may differ materially from this "forward looking" information. Many factors could affect future financial results including, without limitation, changes in interest rates and their impact on the level of deposits, loan demand and value of loan collateral, increased competition from other financial institutions, market value deterioration in the financial services sector, FDIC deposit insurance premiums, governmental monetary policy, legislation and changes in banking regulations, risks associated with the effect of opening a new branch, the ability to control costs and expenses, and general economic conditions. Juniata Valley undertakes no obligation to publicly update or revise forward looking information, whether as a result of new or updated information, future events, or otherwise.

For a more complete discussion of certain risks and uncertainties affecting Juniata Valley, please see the sections entitled "Risk Factors" and "Management's Discussion and Analysis of Financial Condition and Results of Operations – Forward-Looking Statements" set forth in the Juniata Valley's filings with the Securities and Exchange Commission.

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

	(1) September 30, 2011	(2) December 31, 2010
<u>ASSETS</u>		
Cash and due from banks	\$ 10,254	\$ 12,758
Interest bearing deposits with banks	1,116	218
Federal funds sold	6,500	12,300
Cash and cash equivalents	17,870	25,276
Interest bearing time deposits with banks	1,096	1,345
Securities available for sale	112,355	79,923
Restricted investment in Federal Home Loan Bank (FHLB) stock	1,790	2,088
Investment in unconsolidated subsidiary	3,734	3,550
Total loans, net of unearned interest	292,353	298,102
Less: Allowance for loan losses	(2,907)	(2,824)
Total loans, net of allowance for loan losses	289,446	295,278
Premises and equipment, net	6,788	7,067
Other real estate owned	212	412
Bank owned life insurance and annuities	13,962	13,568
Core deposit intangible	220	254
Goodwill	2,046	2,046
Accrued interest receivable and other assets	5,321	4,946
Total assets	\$ 454,840	\$ 435,753
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 64,006	\$ 60,696
Interest bearing	331,105	316,094
Total deposits	395,111	376,790
Securities sold under agreements to repurchase	3,057	3,314
Other interest bearing liabilities	1,222	1,200
Accrued interest payable and other liabilities	4,551	4,473
Total liabilities	403,941	385,777
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 - 4,745,826 shares		
Outstanding -		
4,236,168 shares at September 30, 2011;		
4,257,765 shares at December 31, 2010	4,746	4,746
Surplus	18,363	18,354
Retained earnings	38,696	37,868
Accumulated other comprehensive loss	(1,018)	(1,465)
Cost of common stock in Treasury:		
509,658 shares at September 30, 2011;		
488,061 shares at December 31, 2010	(9,888)	(9,527)
Total stockholders' equity	50,899	49,976
Total liabilities and stockholders' equity	\$ 454,840	\$ 435,753

(1) Unaudited

(2) Unaudited but derived from audited financial statements; does not include related disclosures.

Juniata Valley Financial Corp. and Subsidiary

Consolidated Statements of Income

(Unaudited, in thousands, except share data)

	Three Months Ended September 30,		Nine Months Ended September 30,	
	2011	2010	2011	2010
Interest income:				
Loans, including fees	\$ 4,401	\$ 4,824	\$ 13,477	\$ 14,756
Taxable securities	328	257	894	753
Tax-exempt securities	222	245	689	784
Federal funds sold	1	3	5	7
Other interest income	8	10	23	29
Total interest income	4,960	5,339	15,088	16,329
Interest expense:				
Deposits	1,162	1,288	3,528	4,154
Securities sold under agreements to repurchase	1	1	2	2
Short-term borrowings	-	-	-	1
Long-term debt	-	29	-	99
Other interest bearing liabilities	6	2	20	9
Total interest expense	1,169	1,320	3,550	4,265
Net interest income	3,791	4,019	11,538	12,064
Provision for loan losses	60	70	264	637
Net interest income after provision for loan losses	3,731	3,949	11,274	11,427
Noninterest income:				
Trust fees	109	90	316	300
Customer service fees	354	335	1,015	1,104
Earnings on bank-owned life insurance and annuities	123	133	366	393
Commissions from sales of non-deposit products	53	80	221	301
Income from unconsolidated subsidiary	66	60	197	179
Securities impairment charge	-	(40)	-	(40)
Gain on sales or calls of securities	-	4	6	31
Gain on sales of other assets	14	30	28	36
Other noninterest income	300	244	895	679
Total noninterest income	1,019	936	3,044	2,983
Noninterest expense:				
Employee compensation expense	1,318	1,232	3,910	3,826
Employee benefits	334	363	1,158	1,182
Occupancy	236	243	731	692
Equipment	138	148	439	403
Data processing expense	336	366	995	1,077
Director compensation	74	88	221	261
Professional fees	111	128	341	357
Taxes, other than income	123	124	374	379
FDIC Insurance premiums	73	138	291	435
Amortization of intangibles	12	11	34	34
Other noninterest expense	368	317	1,106	956
Total noninterest expense	3,123	3,158	9,600	9,602
Income before income taxes	1,627	1,727	4,718	4,808
Provision for income taxes	413	442	1,174	1,197
Net income	\$ 1,214	\$ 1,285	\$ 3,544	\$ 3,611
Earnings per share				
Basic	\$0.29	\$0.30	\$0.84	\$0.84
Diluted	\$0.29	\$0.30	\$0.83	\$0.84
Cash dividends declared per share	\$0.22	\$0.21	\$0.64	\$0.61
Weighted average basic shares outstanding	4,236,168	4,283,024	4,243,273	4,307,417
Weighted average diluted shares outstanding	4,239,872	4,286,350	4,246,533	4,310,989

Juniata Valley Financial Corp. and Subsidiary

Consolidated Statements of Income
(Unaudited, in thousands, except share data)

	For the Quarter Ended	
	September 30,	June 30,
	2011	2011
Interest income:		
Loans, including fees	\$ 4,401	\$ 4,484
Taxable securities	328	313
Tax-exempt securities	222	234
Federal funds sold	1	2
Other interest income	8	7
Total interest income	4,960	5,040
Interest expense:		
Deposits	1,162	1,191
Securities sold under agreements to repurchase	1	-
Other interest bearing liabilities	6	7
Total interest expense	1,169	1,198
Net interest income	3,791	3,842
Provision for loan losses	60	116
Net interest income after provision for loan losses	3,731	3,726
Noninterest income:		
Trust fees	109	94
Customer service fees	354	349
Earnings on bank-owned life insurance and annuities	123	124
Commissions from sales of non-deposit products	53	65
Income from unconsolidated subsidiary	66	66
Gain on sale or call of securities	-	1
Gain (Loss) on sales of other assets	14	(1)
Other noninterest income	300	303
Total noninterest income	1,019	1,001
Noninterest expense:		
Employee compensation expense	1,318	1,337
Employee benefits	334	423
Occupancy	236	252
Equipment	138	146
Data processing expense	336	337
Director compensation	74	70
Professional fees	111	91
Taxes, other than income	123	124
FDIC Insurance premiums	73	85
Amortization of intangibles	12	11
Other noninterest expense	368	423
Total noninterest expense	3,123	3,299
Income before income taxes	1,627	1,428
Provision for income taxes	413	337
Net income	\$ 1,214	\$ 1,091
Earnings per share		
Basic	\$0.29	\$0.26
Diluted	\$0.29	\$0.26
Cash dividends declared per share	\$0.22	\$0.21