

PRESS RELEASE

Juniata Valley Financial Corp. Announces First Quarter 2012 Results and Declares Dividend

Mifflintown, PA –April 27, 2012-- Marcie A. Barber, President and Chief Executive Officer of Juniata Valley Financial Corp. (OTC BB: JUVF), announced that net income and earnings per share for the quarter ended March 31, 2012 were \$418,000 and \$0.10, respectively. The results for the quarter were negatively impacted by a provision for loan losses of \$1,108,000, compared to \$100,000 and \$88,000 recorded in the previous quarter ended December 31, 2011 and the first quarter of 2011, respectively. Ms. Barber commented, "While the provision for loan losses in the first quarter was significantly higher than in the past, it is important to note that the increase resulted primarily from specific provisions relating to two loan relationships." Further, she stated, "We do not believe that this adjustment to the allowance for loan losses is indicative of the condition of the credit quality of the loan portfolio as a whole".

The specific loan loss provisions referred to above resulted from the receipt of updated appraisals on real estate collateral for two impaired loan relationships, pursuant to internal policies that require current appraisals on such properties. In the case of one of the two relationships, raw land collateral that had been appraised as development property two years prior, was re-appraised currently as farmland, as planned development has not begun, lowering the value by approximately \$800,000. In the case of the other relationship, an updated appraisal on collateral supporting a development project indicated an additional specific reserve of approximately \$156,000. While both loan relationships are similar in type, there is not a concentration of loans of this type in the Bank's loan portfolio.

Juniata Valley's first quarter 2012 earnings and key performance ratios, including return on average assets (ROA), return on average equity (ROE) and earnings per share (EPS), in comparison to the immediate preceding quarter and the same quarter one year earlier, are shown in the table below.

	Quarter Ended				
	March 31, 2012	December 31, 2011		March 31, 2011	
	Results	Results	% Change	Results	% Change
Net Income	\$ 418,000	\$ 1,136,000	-63.2%	\$ 1,239,000	-66.3%
ROA	0.37%	1.01%	-63.4%	1.13%	-67.3%
ROE	3.36%	8.97%	-62.5%	9.96%	-66.3%
EPS (basic and fully diluted)	\$ 0.10	\$ 0.26	-61.5%	\$ 0.29	-65.5%

Despite a reduction in net income resulting from an increase in the provision for loan losses, core earnings remained strong in the first quarter of 2012. Excluding the impact of specific provisions described above, net income would have been approximately \$1,083,000, which would have resulted in a return on average asset ratio of 0.97%, a return on average equity of 8.69% and earnings per share of \$0.26.

Total assets increased by 1.4%, to \$453.9 million, from December 31, 2011 to March 31, 2012, with this asset growth funded by deposit growth of 2.0%. The net interest margin on a fully tax-equivalent basis was 3.84% in the first quarter of 2012. Non-interest income in the first quarter of 2012 increased by 12.0% and 3.3%, respectively, when compared to the immediate preceding quarter and the same quarter one year ago. Non-interest expense increased in the first quarter of 2012 by 0.5% and 2.6%, respectively, when compared to the immediate preceding quarter and to the same quarter one year ago.

Ms. Barber further commented, “We believe that the factors which negatively impacted earnings in the first quarter are unlikely to recur and we are optimistic about prospects for the remainder of the year and beyond. While earnings in the current quarter were negatively impacted to a significant level, the factors responsible are not expected to further impact future earnings, and we remain focused on a sound business plan.”

On April 18, 2012, Juniata Valley Financial Corp.’s Board of Directors declared a cash dividend of \$0.22 per share for the second quarter of 2012, payable on June 1 to shareholders of record on May 15.

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 Liverpool Community Bank, 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)

	<u>(1)</u> March 31, 2012	<u>(2)</u> December 31, 2011
<u>ASSETS</u>		
Cash and due from banks	\$ 7,752	\$ 12,074
Interest bearing deposits with banks	13,678	2,100
Cash and cash equivalents	21,430	14,174
Interest bearing time deposits with banks	1,096	1,096
Securities available for sale	114,970	111,281
Restricted investment in Federal Home Loan Bank (FHLB) stock	1,615	1,700
Investment in unconsolidated subsidiary	3,838	3,796
Total loans	285,401	289,681
Less: Allowance for loan losses	(3,883)	(2,931)
Total loans, net of allowance for loan losses	281,518	286,750
Premises and equipment, net	6,624	6,710
Other real estate owned	588	427
Bank owned life insurance and annuities	14,182	14,069
Core deposit intangible	198	209
Goodwill	2,046	2,046
Accrued interest receivable and other assets	5,772	5,175
Total assets	\$ 453,877	\$ 447,433
<u>LIABILITIES AND STOCKHOLDERS' EQUITY</u>		
Liabilities:		
Deposits:		
Non-interest bearing	\$ 69,103	\$ 64,751
Interest bearing	325,222	321,914
Total deposits	394,325	386,665
Securities sold under agreements to repurchase	3,119	3,500
Other interest bearing liabilities	1,251	1,244
Accrued interest payable and other liabilities	5,914	6,304
Total liabilities	404,609	397,713
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 -		
4,229,668 shares at March 31, 2012;		
4,228,218 shares at December 31, 2011	4,746	4,746
Surplus	18,361	18,363
Retained earnings	38,388	38,900
Accumulated other comprehensive loss	(2,222)	(2,256)
Cost of common stock in Treasury:		
516,158 shares at March 31, 2012;		
517,608 shares at December 31, 2011	(10,005)	(10,033)
Total stockholders' equity	49,268	49,720
Total liabilities and stockholders' equity	\$ 453,877	\$ 447,433

(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	
	March 31,	
	2012	2011
Interest income:		
Loans, including fees	\$ 4,195	\$ 4,592
Taxable securities	330	253
Tax-exempt securities	178	233
Federal funds sold	-	2
Other interest income	8	8
Total interest income	4,711	5,088
Interest expense:		
Deposits	965	1,175
Securities sold under agreements to repurchase	1	1
Other interest bearing liabilities	6	7
Total interest expense	972	1,183
Net interest income	3,739	3,905
Provision for loan losses	1,108	88
Net interest income after provision for loan losses	2,631	3,817
Non-interest income:		
Trust fees	106	113
Customer service fees	313	312
Debit card fee income	204	193
Earnings on bank-owned life insurance and annuities	106	119
Commissions from sales of non-deposit products	87	103
Income from unconsolidated subsidiary	57	65
Gain on sale or call of securities	-	5
Other non-interest income	169	99
Total non-interest income	1,042	1,009
Non-interest expense:		
Employee compensation expense	1,278	1,255
Employee benefits	535	401
Occupancy	229	243
Equipment	133	155
Data processing expense	356	322
Director compensation	59	77
Professional fees	88	139
Taxes, other than income	118	127
FDIC Insurance premiums	79	133
Loss (gain) on sales of other real estate owned	2	(15)
Amortization of intangibles	11	11
Other non-interest expense	357	315
Total non-interest expense	3,245	3,163
Income before income taxes	428	1,663
Provision for income taxes	10	424
Net income	\$ 418	\$ 1,239
Earnings per share		
Basic	\$0.10	\$0.29
Diluted	\$0.10	\$0.29
Cash dividends declared per share	\$0.22	\$0.21
Weighted average basic shares outstanding	4,228,218	4,255,982
Weighted average diluted shares outstanding	4,231,276	4,259,061

Juniata Valley Financial Corp. and Subsidiary

Consolidated Statements of Income

(Unaudited, in thousands, except share data)

	Three Months Ended	
	March 31,	December 31,
	2012	2011
Interest income:		
Loans, including fees	\$ 4,195	\$ 4,380
Taxable securities	330	346
Tax-exempt securities	178	212
Other interest income	8	7
Total interest income	4,711	4,945
Interest expense:		
Deposits	965	1,032
Securities sold under agreements to repurchase	1	1
Short-term borrowings	-	1
Other interest bearing liabilities	6	7
Total interest expense	972	1,041
Net interest income	3,739	3,904
Provision for loan losses	1,108	100
Net interest income after provision for loan losses	2,631	3,804
Non-interest income:		
Trust fees	106	72
Customer service fees	313	331
Debit card fee income	204	190
Earnings on bank-owned life insurance and annuities	106	112
Commissions from sales of non-deposit products	87	52
Income from unconsolidated subsidiary	57	66
Other non-interest income	169	107
Total non-interest income	1,042	930
Non-interest expense:		
Employee compensation expense	1,278	1,348
Employee benefits	535	528
Occupancy	229	226
Equipment	133	130
Data processing expense	356	331
Director compensation	59	63
Professional fees	88	121
Taxes, other than income	118	122
FDIC Insurance premiums	79	78
Loss (gain) on sales of other real estate owned	2	(28)
Amortization of intangibles	11	11
Other non-interest expense	357	300
Total non-interest expense	3,245	3,230
Income before income taxes	428	1,504
Provision for income taxes	10	368
Net income	\$ 418	\$ 1,136
Earnings per share		
Basic	\$0.10	\$0.26
Diluted	\$0.10	\$0.26
Cash dividends declared per share	\$0.22	\$0.22
Weighted average basic shares outstanding	4,228,218	4,235,391
Weighted average diluted shares outstanding	4,231,276	4,238,318