

[Front Cover]

# River Valley Financial Bank

## Expect a Difference!

(Logo and Photo omitted)

---

[Inside Front Cover]

River Valley Financial Bank  
Expect a Difference!

River Valley Bancorp  
and Subsidiary

2012  
ANNUAL REPORT

(Logo and Photo omitted)

---

To Our Shareholders, Customers, and Friends:

It is my pleasure to present to you River Valley Bancorp's seventeenth Annual Report to Shareholders for the year ending December 31, 2012.

While the country still appears to be mired in an endless torment of pessimistic or flat economic indicators, your Corporation realized what we hope to illustrate as a "break away" year in 2012. Notwithstanding persistent annoyances and costly resolutions that continue to victimize community banks, there seems to be cause to celebrate, hope, and anticipate that a better banking environment is on the horizon. We believe that in the following pages you will see a demonstration of, not only historical records, but fundamentals that will undergird our financial performance for years to come. We are very mindful of not being boastful or braggarts, but we are excited to share "good news" from a year that others will likely describe as "difficult."

The fiscal year represented by 2012 is truly historical. With our acquisition/merger that closed in November 2012, we added two strategic counties to our service market, we added nearly \$80 million in assets, and appropriately enhanced our ability to address higher regulatory and infrastructure needs, all of which were accomplished with adding accretive earnings to the bottom line. Our net income from operations and \$988,000 recorded as a result of the "bargain purchase price" for the merger, coupled with some strategic balance sheet restructuring produced record net income of \$4.0 million or earnings per share of \$2.40. Our return on average assets for the fiscal year was 0.96% and the return on average equity was 11.72%. Most importantly, we have consistently paid a superior dividend and coupled with price appreciation, there was a total return of 22.4% in 2012 on shareholders' dollars.

While there was a lot of "noise" aggregated in achieving these numbers for 2012, the takeaway is a foundation for strong performance for the years to come. One record year is but an accomplishment; our goal is that 2012 sets a performance standard.

We hope that you will take the time to carefully read the enclosed information, as we trust you will find it illuminating and demonstrative. The results are the culmination of a year of hard work by a dedicated staff, the direction of an engaged board, and the support of wonderful communities and customers. We once again "thank you" for your participation and continued support . . . it is greatly appreciated!

Respectfully Submitted,



Matthew P. Forrester  
President, CEO

---

## **Officers of River Valley Financial Bank**

Matthew P. Forrester  
President, CEO

Mark A. Goley  
Vice President of Lending

Deanna J. Liter  
Vice President of Data Services

Crystal Barnes  
Vice President of Compliance

Vickie Grimes  
Vice President of Finance

John Muesel  
Vice President of Trust Services

Anthony D. Brandon  
Executive Vice President

William H. Hensler  
Vice President of  
Wealth Management

Gregory T. Siegrist  
Vice President of  
Business Development

Jenny Darnold  
Vice President of Retail Banking

Robert E. Kleehamer  
Senior Vice President of  
Business Development

Loy M. Skirvin  
Vice President of  
Human Resources

Debbie Finnegan  
Vice President of Internal Audit

## **Managers of River Valley Financial Bank**

### **Loan Officers**

Sherril Furnish  
Bart Hicks  
William D. Jackson  
Melissa Jayne  
Michael Todd Lancaster  
Jaime Laufer  
John Newbanks  
Jamie Singer  
Andrew Ward

### **Customer Service Managers**

Marcida Baker  
Chad Dimmitt  
Kim Geyman  
Jessica Koontz  
Kerri Morris  
Jim Myers

Ryan Nix  
Rita Power  
Kathy Rundall  
Denise Schad  
Megan Ulery

### **Other Managers**

Levi DeLorenzo – Financial Reporting Administrator  
Laura Denning—Loan Processing Manager  
Bonnie Droddy – Loan Underwriter  
Roger Ellis—Credit Analyst  
Jeff Gleeson— Chief Risk Officer  
Mary Ellen McClelland—Admin. Assistant  
Robyn Meek – Business Development  
Luann Nay—Loan Administrator  
Melissa Shelton – Call Center Manager  
Roger Smith — Accounting Manager  
Linda Stark—Trust Administration  
Mary Ellen Wehner — Commercial  
Loan Operations Manager

**A never ending source of  
strength & commitment.**

---

## General Information for Shareholders

### Shareholder and General Inquiries:

River Valley Bancorp  
Attn: Matthew P. Forrester  
430 Clifty Drive, P.O. Box 1590  
Madison, Indiana 47250  
Tel: (812)273-4949 Fax: (812)273-4944

### Transfer Agent and Registrar:

Registrar and Transfer Company  
10 Commerce Drive  
Cranford, NJ 07016-3572  
Tel: 1-800-368-5948  
www.rtco.com

[photo omitted]

### Corporate Counsel:

Mark Wynn  
508 East Main Street  
Madison, Indiana 47250  
Tel: (812)265-3616  
Fax: (812)265-5691

### Special Counsel:

Barnes & Thornburg LLP  
11 S. Meridian Street  
Indianapolis, Indiana 46204  
Tel: (317)236-1313  
Fax: (317)231-7433

### Annual and Other Reports:

Additional copies of this Annual Report to Shareholders and copies of the most recent Form 10 K may be obtained without charge by contacting the Corporation.

### Internet and E-mail Address:

[rvfbank.com](http://rvfbank.com)

### Annual Meeting:

The Annual Meeting of Shareholders of River Valley Bancorp will be held on Wednesday, April 17, 2013, at 3:00 PM, at 430 Clifty Drive, Madison, IN 47250.

**A moving source of  
purpose & power.**

---

## **Directors of the Company and the Bank**

Front row, left to right:

**Lonnie D. Collins**  
Director/Board Secretary

**L. Sue Livers**  
Director

**Michael J. Hensley**  
Director

Back row, left to right:

[photo omitted]

**Charles J. McKay**  
Director

**Frederick W. Koehler**  
Chairman

**Matthew P. Forrester**  
Director & President

## **Advisory Board Members for Clark and Floyd County**

Left to right:

**Danny Rodden**

**Mike Naville**

[photo omitted]

**Barry Cahill**

**Phil McCauley**

**An underlying strength  
of power & motion.**

---

## River Valley Bancorp Selected Financial Data

### Consolidated Balance Sheet

As of December 31, 2012

(In Thousands, Except Share Amounts)

<b>Assets</b>	
Cash and due from banks	\$ 3,675
Interest-bearing demand deposits	8,732
Federal funds sold	6,745
Investment securities available for sale	113,770
Loans held for sale	394
Loans, net of allowance for loan losses	305,518
Premises and equipment	10,905
Real estate, held for sale	1,610
Federal Home Loan Bank stock	4,595
Interest receivable	2,292
Cash value of life insurance	10,161
Core deposit intangibles	518
Other assets	3,940
<b><i>Assets</i></b>	<b><u>\$ 472,855</u></b>
<b>Liabilities</b>	
Total deposits	\$ 384,255
Borrowings	49,717
Other liabilities	3,296
<b><i>Liabilities</i></b>	<b><u>437,268</u></b>
<b>Stockholders' Equity</b>	
Preferred Stock – 5,000 shares – no par value	5,000
Common Stock – 1,524,872 shares – no par value	7,700
Retained earnings	20,990
Accumulated other comprehensive income	1,897
<b><i>Stockholders' Equity</i></b>	<b><u>35,587</u></b>
<b><i>Liabilities and Stockholders' Equity</i></b>	<b><u>\$ 472,855</u></b>
<b>Other Data</b>	
Interest rate spread	3.00%
Net yield on interest-earning assets	3.17%
Average yield on all interest-earning assets	4.43%
Return on assets (net income divided by average total assets)	0.96%
Return on equity (net income divided by average total equity)	11.72%
Equity to assets ratio (total equity divided by total assets)	7.53%
Dividend payout ratio (dividends per common share divided by net income per common share)	35.00%
Number of full service banking offices	12

## Consolidated Statement of Income

For The Year Ended December 31, 2012  
(In Thousands, Except Per Share Amounts)

<b>Interest Income</b>	
Loans receivable	\$ 14,544
Investment securities	2,799
Interest-earning deposits and other	167
Total Interest Income	<u>17,510</u>
<b>Interest Expense</b>	
Deposits	2,679
Borrowings	2,321
Total Interest Expense	<u>5,000</u>
<b>Net Interest Income</b>	12,510
Provision for loan losses	1,382
<b>Net Interest Income After Provision for Loan Losses</b>	<u>11,128</u>
<b>Other Income</b>	
Service fees and other charges	2,142
Net realized gains on sales of available for sale securities	997
Net gains on loan sales	1,153
Interchange fee income	454
Increase in cash value of life insurance	306
Losses on real estate held for sale	(577)
Bargain purchase gain on Dupont State Bank acquisition	988
Other income	306
Total Other Income	<u>5,769</u>
<b>Other Expenses</b>	
Salaries and employee benefits	5,953
Net occupancy and equipment expenses	1,480
Data processing fees	454
Advertising	399
Mortgage servicing rights	270
Professional fees	362
FDIC premium assessment	362
Loan related expenses	522
Acquisition expense	382
Prepayment penalties on borrowings	392
Other expenses	1,450
Total Other Expenses	<u>12,026</u>
<b>Income Before Income Tax</b>	4,871
Income tax expense	859
<b>Net Income</b>	\$ 4,012
Preferred stock dividends	362
<b>Net Income Available to Common Stockholders</b>	<u>\$ 3,650</u>
<b>Basic earnings per share</b>	\$ 2.40
<b>Diluted earnings per share</b>	\$ 2.40
<b>Weighted average shares outstanding-Basic</b>	1,517,902
<b>Weighted average shares outstanding-Diluted</b>	1,519,907

---

**INSERT 10-K HERE**

---

[Inside Back Cover]

River Valley Financial Bank  
Expect a Difference!

(Logo and Photo omitted)

---

[Back Cover]

River Valley Financial Bank  
Expect a Difference!

(Logo and Photo omitted)