



ANNUAL USE OF CAPITAL SURVEY - 2009

NAME OF INSTITUTION

(Include Holding Company Where Applicable)

River Valley Bancorporation, Inc. River Valley Bank

Person to be contacted regarding this report:	Jay Wittman
UST Sequence Number:	1216
CPP Funds Received:	15,000,000
CPP Funds Repaid to Date:	0
Date Funded (first funding):	Jun 12, 2009
Date Repaid ¹ :	N/A

RSSD: (For Bank Holding Companies)	0001209426
Holding Company Docket Number: (For Thrift Holding Companies)	n/a
FDIC Certificate Number: (For Depository Institutions)	19772
City:	Wausau
State:	Wisconsin

¹If repayment was incremental, please enter the most recent repayment date.

American taxpayers are quite interested in knowing how banks have used the money that Treasury has invested under the Capital Purchase Program (CPP). To answer that question, Treasury is seeking responses that describe generally how the CPP investment has affected the operation of your business. We understand that once received, the cash associated with TARP funding is indistinguishable from other cash sources, unless the funds were segregated, and therefore it may not be feasible to identify precisely how the CPP investment was deployed or how many CPP dollars were allocated to each use. Nevertheless, we ask you to provide as much information as you can about how you have used the capital Treasury has provided, and how your uses of that capital have changed over time. Treasury will be pairing this survey with a summary of certain balance sheet and other financial data from your institution's regulatory filings, so to the extent you find it helpful to do so, please feel free to refer to your institution's quarterly call reports to illustrate your answers. This is your opportunity to speak to the taxpayers in your own words, which will be posted on our website.

What specific ways did your institution utilize CPP capital? Check all that apply and elaborate as appropriate, especially if the uses have shifted over time. Your responses should reflect actions taken over the past year (or for the portion of the year in which CPP funds were outstanding).

<input checked="" type="checkbox"/>	Increase lending or reduce lending less than otherwise would have occurred.	Since the Bank accepted CPP funds in June of 2009, it has extended new credit totally nearly \$28 million. When taking into account the Bank charged off \$9 million in problem loans, the Bank has \$2 million of monthly loan amortization, and having sold nearly \$4.5 million of small business loans to the Small Business Administration (SBA) the Bank has made over
<input checked="" type="checkbox"/>	To the extent the funds supported increased lending, please describe the major type of loans, if possible (residential mortgage loans, commercial mortgage loans, small business loans, etc.).	Nearly all of the increase in the Bank's loan portfolio is related to commercial real estate lending to small businesses in the communities the Bank serves.
<input type="checkbox"/>	Increase securities purchased (ABS, MBS, etc.).	

<input type="checkbox"/>	Make other investments	
<input type="checkbox"/>	Increase reserves for non-performing assets	
<input type="checkbox"/>	Reduce borrowings	
<input checked="" type="checkbox"/>	Increase charge-offs	The receipt of CPP funds has allowed the Bank to aggressively charge off problem loans by charging off over \$9 million of non-performing loans in 2009 while still maintaining its well capitalized status.
<input type="checkbox"/>	Purchase another financial institution or purchase assets from another financial institution	
<input type="checkbox"/>	Held as non-leveraged increase to total capital	

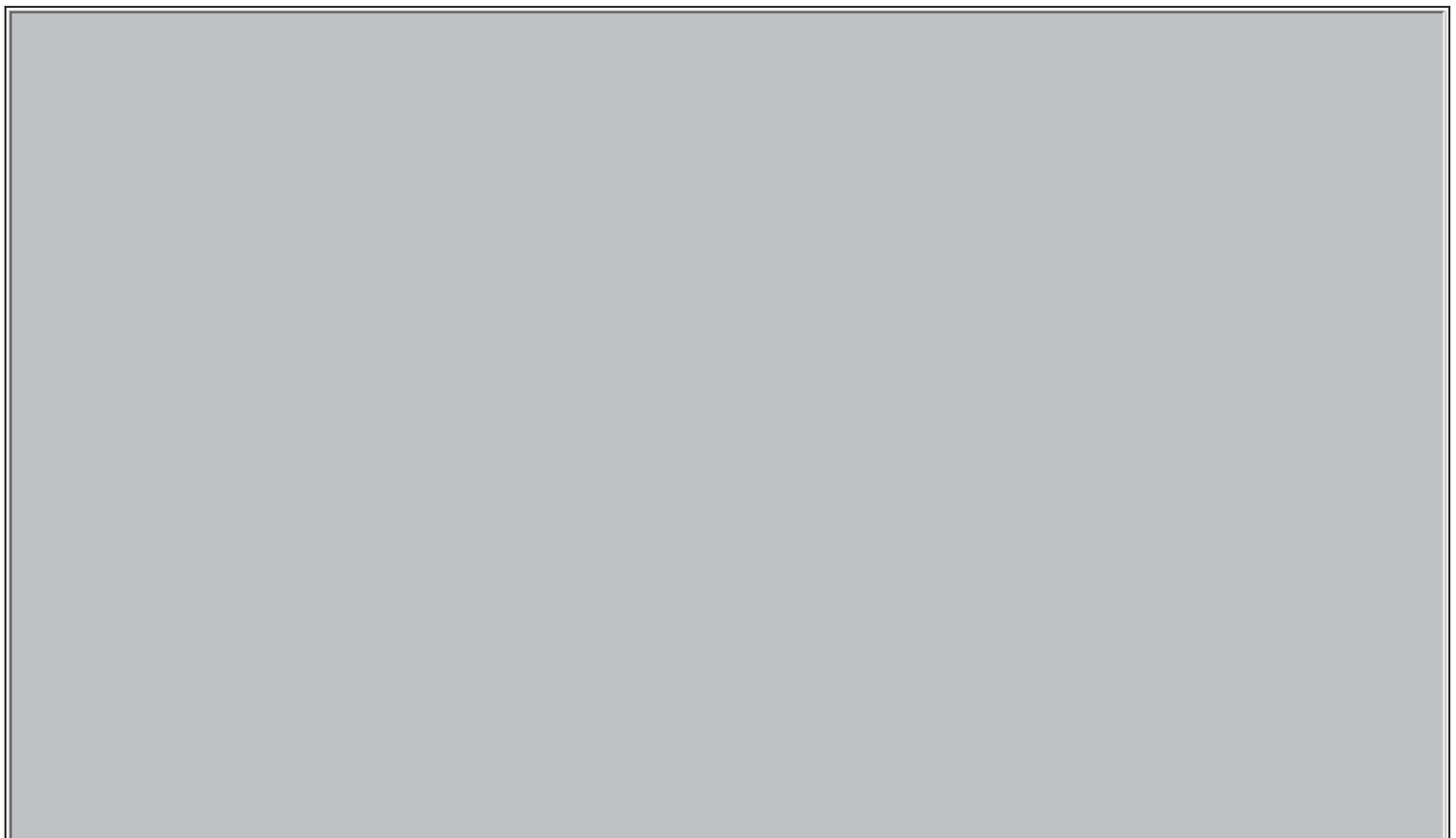
What actions were you able to avoid because of the capital infusion of CPP funds?

The Bank has been able to increase its risk-based capital ratio from 10.29% to 11.16% and its tier one capital ratio from 9.11% to 9.90% without having to issue expensive subordinated debt. The improved capital ratios allow the Bank to continue lending to consumers and small businesses in the communities it serves.

What actions were you able to take that you may not have taken without the capital infusion of CPP funds?

The Bank was able to acquire a failing insurance agency while improving its capital ratios with the accepted CPP funds. By acquiring the insurance agency the Bank was able to save twenty-seven jobs in the insurance agency that would have otherwise been dissolved. In addition to saving the jobs, purchasing the insurance agency allowed the agency to continue policies on over \$500,000 of premiums to customers that otherwise would have been unsecured creditors. Through the acquisition three other financial institutions were able to receive payment on loans extended to the former insurance agency.

Please describe any other actions that you were able to undertake with the capital infusion of CPP funds.



According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 1505-0222. The time required to complete this information collection is estimated to average 80 hours per response.