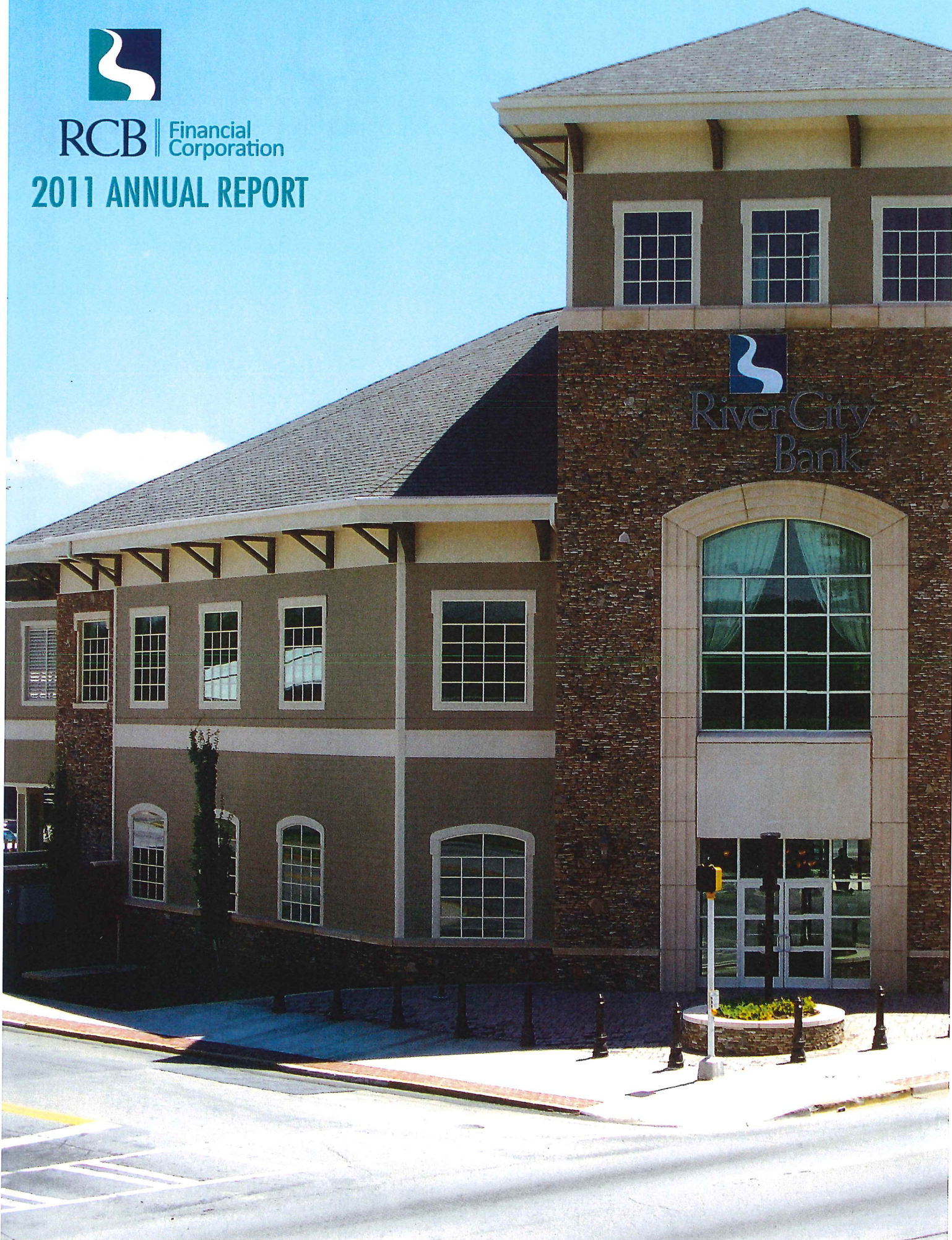




RCB | Financial
Corporation

2011 ANNUAL REPORT





May 1, 2012

Dear Fellow Shareholders:

On behalf of the directors and officers of RCB Financial Corporation (the "Holding Company"), we are pleased to provide you with the enclosed annual report and proxy materials in connection with the Holding Company's annual meeting of shareholders. **The annual meeting will be held at River City Bank, 228 North 2nd Avenue, Rome, Georgia on Tuesday, May 15, 2012, at 6:00pm local time.**

The annual meeting has been called for the following purposes: (1) to elect eleven directors of the Holding Company to serve until the 2013 annual meeting; (2) to ratify the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2012; and (3) to consider and vote upon such other business as may properly come before the meeting and at any and all adjournments thereof. The record date for determining shareholders entitled to vote at the annual meeting was the close of the Holding Company's business on March 31, 2012.

At the annual meeting we will provide you with a report from management concerning our performance during the past year as well as a perspective on the current banking environment in our community, state, and nation. Refreshments will be served.

We sincerely hope that you can attend the meeting on May 15, 2012. Our officers, directors, and staff are very excited about the future of RCB Financial Corporation and River City Bank.

Whether or not you plan to attend the meeting, please complete, sign and date the accompanying proxy sheet and return it in the enclosed postage-prepaid envelope. If you attend the meeting you may revoke your proxy and vote your shares personally.

Of course, if you have any questions, please contact me at (706) 236-2123.

Sincerely,

Roger F. Smith
President and CEO



REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTING FIRM

The Board of Directors and Stockholders
RCB Financial Corporation
Rome, Georgia

We have audited the accompanying consolidated balance sheets of RCB Financial Corporation and subsidiary as of December 31, 2011 and 2010, and the related consolidated statements of operations, comprehensive income (loss), changes in stockholders' equity and cash flows for the years then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of RCB Financial Corporation and subsidiary as of December 31, 2011 and 2010, and the results of their operations and their cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States of America.

Porter Keadle Moore, LLC

Atlanta, Georgia
April 12, 2012

RCB FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Balance Sheets

December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
<u>Assets</u>		
Cash and due from banks, including reserve requirements of \$631,000 and \$486,000, respectively	\$ 9,020,342	17,143,882
Interest earning deposits in banks	<u>11,697,082</u>	<u>6,289,316</u>
Cash and cash equivalents	20,717,424	23,433,198
Investment securities available-for-sale	30,429,259	24,566,111
Federal Home Loan Bank stock, at cost	956,300	1,667,800
Loans, net	120,008,300	156,754,538
Premises and equipment, net	7,063,211	7,430,371
Other real estate	1,705,364	1,699,430
Accrued interest receivable and other assets	<u>1,383,109</u>	<u>5,078,075</u>
Total assets	\$ <u>182,262,967</u>	<u>220,629,523</u>
<u>Liabilities and Stockholders' Equity</u>		
Deposits:		
Demand	\$ 11,977,172	10,081,534
Interest-bearing demand	27,341,232	22,280,040
Savings and money market	56,615,359	66,196,524
Time	27,419,521	38,087,996
Time, \$100,000 and over	<u>31,071,899</u>	<u>47,806,958</u>
Total deposits	154,425,183	184,453,052
Securities sold under repurchase agreements	197,994	98,760
Federal Home Loan Bank advances	6,700,000	9,350,000
Accrued interest payable and other liabilities	<u>951,436</u>	<u>461,820</u>
Total liabilities	162,274,613	194,363,632
Commitments		
Stockholders' equity:		
Series A Preferred Stock, no par value; 5,000,000 shares authorized, 8,900 shares issued and outstanding	9,017,363	8,956,293
Common stock, \$.01 par value; 25,000,000 shares authorized; 2,132,521 shares issued and outstanding	21,325	21,325
Additional paid-in capital	23,760,913	23,754,367
Accumulated deficit	(13,148,374)	(6,388,755)
Accumulated other comprehensive income (loss)	<u>337,127</u>	<u>(77,339)</u>
Total stockholders' equity	<u>19,988,354</u>	<u>26,265,891</u>
Total liabilities and stockholders' equity	\$ <u>182,262,967</u>	<u>220,629,523</u>

RCB FINANCIAL CORPORATION AND SUBSIDIARY

Consolidated Statements of Operations

For the Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Interest income:		
Loans, including fees	\$ 8,124,049	10,359,744
Investment securities	954,688	1,336,608
Federal funds sold and interest-bearing accounts	<u>40,590</u>	<u>46,985</u>
Total interest income	<u>9,119,327</u>	<u>11,743,337</u>
Interest expense:		
Deposits	2,320,987	3,756,821
Borrowings	<u>298,544</u>	<u>1,265,199</u>
Total interest expense	<u>2,619,531</u>	<u>5,022,020</u>
Net interest income	6,499,796	6,721,317
Provision for loan losses	<u>4,316,335</u>	<u>2,412,063</u>
Net interest income after provision for loan losses	<u>2,183,461</u>	<u>4,309,254</u>
Non-interest income:		
Service fees	155,803	369,388
Mortgage banking income	141,207	313,610
Trust fees	388,522	422,489
Gain from sales of investment securities available-for-sale	<u>7,377</u>	<u>740,756</u>
Total non-interest income	<u>692,909</u>	<u>1,846,243</u>
Non-interest expenses:		
Salaries and employee benefits	2,398,342	2,660,690
Data and item processing	500,717	543,370
Professional fees	452,690	436,213
Occupancy and equipment	594,474	670,776
FDIC insurance	343,015	387,431
Advertising and promotions	105,571	125,848
Other real estate	6,006	184,918
Other real estate expense, loss on sale and writedown	698,509	812,075
Loss on disposal and impairment of fixed assets	97,871	15,058
Other operating	<u>801,639</u>	<u>446,264</u>
Total non-interest expenses	<u>5,998,834</u>	<u>6,282,643</u>
Loss before income taxes	(3,122,464)	(127,146)
Income tax (expense) benefit	<u>(3,103,156)</u>	<u>169,312</u>
Net (loss) income	<u>(6,225,620)</u>	<u>42,166</u>
Preferred stock dividend on Series A Preferred Stock held by the U.S. Department of the Treasury	<u>(533,999)</u>	<u>(530,184)</u>
Net loss available to common stockholders	\$ <u>(6,759,619)</u>	<u>(488,018)</u>
Basic and diluted loss per common share	\$ <u>(3.17)</u>	<u>(.23)</u>

RCB FINANCIAL CORPORATION
NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TO BE HELD MAY 15, 2012

RCB Financial Corporation (the "Holding Company"), will hold its annual meeting of shareholders at River City Bank, 228 North Second Avenue, Rome, Georgia 30165 on Tuesday, May 15, 2012, at 6:00 p.m., local time, to vote on:

- Electing as directors of RCB Financial Corporation the persons listed as nominees in the Proxy Statement dated March 31, 2012, that accompanies this notice;
- Ratifying the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2012; and
- Transacting such other and further business as may properly come before the meeting.

Only shareholders of record at the close of business on March 31, 2012 will be entitled to notice of and to vote at the annual meeting or any adjournment or postponement thereof. The holders of shares of the Holding Company's common stock are entitled to one vote per share on all matters to be presented for action by shareholders at the annual meeting.

Enclosed for your review are the Holding Company's proxy statement and proxy sheet for the proposals that shareholders will vote on at the annual meeting.

The Board of Directors of the Holding Company unanimously recommends that shareholders vote FOR each of the nominees for director and FOR ratifying the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2012.

**BY ORDER OF THE
BOARD OF DIRECTORS**



Roger F. Smith
President and CEO
River City Bank
Rome, Georgia
May 1, 2012

**RCB Financial Corporation
228 North Second Avenue
Rome, Georgia 30165
(706) 236-2123**

May 1, 2012

**PROXY STATEMENT
FOR ANNUAL MEETING OF SHAREHOLDERS
TO BE HELD ON MAY 15, 2012**

This Proxy Statement is being furnished to the shareholders of RCB Financial Corporation (the "Holding Company") in connection with the solicitation of proxies by the Board of Directors of the Holding Company for use at the Annual Meeting of Shareholders of RCB Financial Corporation to be held on Tuesday, May 15, 2012, at 6:00 p.m., local time, and at any adjournment thereof, for the purposes set forth below and in the accompanying Notice of the Annual Meeting of Shareholders. The meeting will be held at River City Bank, 228 North Second Avenue, Rome, Georgia 30165.

The shareholders' meeting is being held to consider and vote upon the following proposals:

- Proposal 1: To elect as Holding Company directors the persons listed as nominees in this Proxy Statement.
- Proposal 2: To ratify the appointment of Porter Keadle Moore, LLP, as the independent auditors of the Holding Company for fiscal year 2012.
- Proposal 3: To transact such other business as may properly come before the meeting and at any and all adjournments thereof.

Record Date, Solicitation and Revocability of Proxies

RCB Financial Corporation has fixed March 31, 2012, as the record date for determining the shareholders entitled to notice of and to vote at the meeting. At the close of business on the record date, there were outstanding and entitled to vote 2,132,521 shares of common stock of RCB Financial Corporation, \$0.01 par value per share, held by 436 shareholders of record. A majority of the outstanding shares of common stock represented at the meeting, in person or by proxy, will constitute a quorum.

Shares of RCB Financial Corporation's common stock represented by a properly executed proxy, if such proxy is received prior to the vote at the shareholders meeting and not revoked, will be voted at the shareholders meeting in accordance with the instructions indicated in such proxy. **If a proxy is received and no instructions are indicated, such shares of the common stock will be voted "FOR" the election as Directors of the Holding Company the eleven nominees listed in this Proxy Statement, "FOR" ratifying the appointment of Porter Keadle Moore, LLP, as the independent auditors of the Holding Company for fiscal year 2012, and in accordance with the recommendations of the Board of Directors as to any other matter which may properly come before the shareholders' meeting.**

A shareholder who has given a proxy may revoke it at any time prior to its exercise at the shareholders meeting by either (i) giving written notice of revocation to the Chief Executive Officer of the Holding Company, (ii) properly submitting to the Chief Executive Officer of the Holding Company a duly executed proxy bearing a later date, or (iii) appearing in person at the shareholders' meeting and voting in person. All written notices of revocation or other communications with respect to revocation of proxies should be addressed as follows: RCB Financial Corporation, 228 North Second Avenue, Rome, Georgia 30165, Attention: Roger F. Smith, President and CEO.

Proxies are being solicited by and on behalf of the Board of Directors of RCB Financial Corporation. Directors, officers and employees of the Holding Company may solicit proxies personally or by telephone or facsimile. None of these people will receive any special compensation for solicitation activities.

Voting of Shares

The holders of shares of RCB Financial Corporation's common stock are entitled to one vote per share on all matters presented at the meeting for action by shareholders.

The affirmative vote of a majority of our outstanding common stock present in person or represented by proxy and entitled to vote at the meeting will be required to elect the eleven directors to serve until the 2013 Annual Shareholders' Meeting.

The affirmative vote of a majority of RCB Financial Corporation's outstanding common stock present in person or represented by proxy and entitled to vote at the meeting will be required to ratify the appointment of Porter Keadle Moore, LLP, as the Holding Company's independent auditors for fiscal year 2012.

All other matters that may properly come before the meeting require the affirmative vote of a majority of shares of common stock present in person or by proxy and entitled to vote on such matter, unless a stricter requirement is imposed by applicable law.

This proxy statement and the accompanying form of proxy were first mailed to the shareholders on or about May 1, 2012.

PROPOSAL 1: ELECTION OF DIRECTORS

The table below sets forth certain information about the director nominees, including name and principal occupation or employment. Duly elected directors will serve until the next annual meeting of shareholders, or until their respective successors are duly elected and qualified.

<u>Name</u>	<u>Principal Occupation or Employment</u>
C. King Askew	Attorney
Darrell Lowrey	Orthopedic Surgeon
Jarrett Shadday	Real Estate Investor
Keith Winslette	Pharmacist
Mary Sib Banks	Newspaper Publishing
Michael W. Mathis	Real Estate Investor
Richard Haney	Car Dealer
Robert Stone	Entrepreneur
Roger F. Smith	Bank Executive
Virginia Kibler	Restaurant Owner
W. Barritt Gilbert	Urologist

THE BOARD OF DIRECTORS RECOMMENDS THAT YOU VOTE "FOR" THE ELECTION OF THE ELEVEN NOMINEES NAMED ABOVE.

**PROPOSAL 2: RATIFYING THE APPOINTMENT
OF PORTER KEADLE MOORE, LLP,
AS INDEPENDENT AUDITORS**

The Audit Committee of the Board of Directors has considered the qualifications and experience of Porter Keadle Moore, LLP, and based upon recommendation of the Audit Committee, the Board of Directors has appointed Porter Keadle Moore, LLP, as independent auditors for the Holding Company for the current fiscal year which ends December 31, 2012. Although the submission of this matter to the shareholders is not required by law, the Board of Directors desires to obtain the shareholders' ratification of such appointment. A resolution ratifying the appointment will be offered at the Annual Meeting. If the resolution is not adopted, the adverse vote will be referred to the Audit Committee for further review.

THE BOARD OF DIRECTORS RECOMMENDS A VOTE "FOR" RATIFYING THE APPOINTMENT OF PORTER KEADLE MOORE, LLP, AS THE HOLDING COMPANY'S INDEPENDENT AUDITORS FOR FISCAL YEAR 2012.

DIRECTOR AND MANAGEMENT STOCK OWNERSHIP

The following table presents stock ownership information as of the record date for each of the executive officers and director nominees of RCB Financial Corporation and all executive officers and director nominees as a group. The table sets forth: (1) each person's name, (2) his or her respective position with the Holding Company, (3) the number of shares of Holding Company common stock he or she directly or indirectly owned, controlled or held with the power to vote as of the record date, (4) the percentage of the outstanding shares of Holding Company common stock he or she owned at the record date, and (5) the number of shares subject to warrants.

<u>Name</u>	<u>Position</u>	<u>Number of Shares</u>	<u>Percentage of Outstanding Shares⁽¹⁾</u>	<u>Shares Subject to Warrants⁽²⁾ & Options⁽³⁾</u>
Michael W. Mathis	Director	122,850	5.76%	100,000
Jarrett Shadday	Director	110,000	5.16%	100,000
Darrell Lowrey	Director	48,700	2.28%	30,000
Richard Haney	Director	43,740	2.05%	-
Keith Winslette	Director	35,000	1.64%	35,000
C. King Askew	Director	32,500	1.52%	32,500
Virginia Kibler	Director	30,000	1.41%	30,000
W. Barritt Gilbert	Director	25,000	1.17%	25,000
Roger F. Smith	CEO and Director	22,500	1.06%	15,000
Robert Stone	Director	8,000	0.38%	-
Connie J. Williams	CFO	3,000	0.14%	10,000
Mary Sib Banks	Director	1,800	0.08%	720
T. Grant Espy	CCO	1,500	0.07%	5,000
		484,590	22.72	383,220

**Executive Officers
and Director
Nominees as a Group
(13 persons)**

(1) The calculation of ownership of each individual and group is based upon 2,132,521 shares outstanding as of record date, and may change if and when options or warrants are exercised.

(2) All outstanding stock options vest over a three year period are now fully vested, and carry an exercise price of \$10.00 to \$11.50 per share.

PRINCIPAL SHAREHOLDERS OF THE HOLDING COMPANY

There are no shareholders of record (other than the director nominees listed above) who directly or indirectly owned, controlled, or held with power to vote more than 10% of the outstanding shares of Holding Company common stock as of the record date.

OTHER MATTERS

The Board of Directors of the Holding Company does not know of any matters to be brought before this meeting of Holding Company shareholders other than those described above. If any other matters properly come before the meeting, the persons designated as proxies will vote on such matters in accordance with their best judgment.

By Order of the Board of Directors


Kristen Vardy, Corporate Secretary

**RESOLUTIONS OF
THE BOARD OF DIRECTORS OF
RCB FINANCIAL CORPORATION**

I. Annual Meeting of Shareholders

WHEREAS, RCB Financial Corporation (the "Company") plans to hold its 2012 annual meeting of shareholders (the "Annual Meeting") and at such meeting to consider (i) a proposal to elect directors to serve a one-year term or until their successors are duly elected and qualified; and (ii) a proposal to ratify the appointment of Porter Keadle Moore, LLP, as the Company's independent auditors for the fiscal year 2012.

NOW, THEREFORE, BE IT RESOLVED, that the Annual Meeting date is hereby set for May 15, 2012 at 6:00 p.m. local time, at River City Bank, 228 N. 2nd Avenue, Rome, Georgia 30165; and

RESOLVED FURTHER, that the record date for shareholders to vote at the Annual Meeting shall be the close of the Company's business on March 31, 2012; and

RESOLVED FURTHER, that Connie Williams, CFO, be and is hereby appointed as the Company's inspector of elections at its Annual Meeting, and to perform such duties in connection therewith as required by law; and

RESOLVED FURTHER, that the following individuals are hereby nominated for election as directors at the Annual Meeting to serve until the 2013 Annual Meeting or until their successors are duly elected and qualified; and

Barritt Gilbert
Bob Stone
Darrell Lowrey
Ginny Kibler
Jarrett Shadday
Keith Winslette
King Askew
Mary Sib Banks
Mike Mathis
Richard Haney
Roger Smith, CEO

RESOLVED FURTHER, that the proper officers of the Company be, and they hereby are, authorized and directed to prepare or cause to be prepared, with the assistance of legal counsel, and to distribute proxy solicitation materials in connection with the Annual Meeting; and

RESOLVED FURTHER, that the Board of Directors hereby appoints King Askew and Roger Smith to be named in appointments of proxy solicited by the Company as the proxies for shareholders at the Annual Meeting.

II. Independent Auditors

WHEREAS, the Board of Directors has considered the qualifications and experience of Porter Keadle Moore, LLP, as independent auditors for the Company for the previous fiscal year which ended December 31, 2011.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors hereby appoints Porter Keadle Moore, LLP, as independent auditors for the Company for the current fiscal year which ends December 31, 2012.

Given under hand and seal of RCB Financial Corporation, this 13th day of March, 2012.



Kristen M. Vardy, Corporate Secretary

For a copy of River City Bank's Annual Disclosure Statement for 2011, which is available upon request, you may contact Connie Williams, CFO. She can be reached at:

River City Bank
228 North 2nd Avenue
Rome, Georgia 30165
706-236-2123

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RiverCityBankOnline.com

