

## The Valley's Home-Owned Bank

- \* with high quality service and competitive pricing for our customers,
- \* fairly treat and provide a good quality of life for our employees,
- \* and to continue with a consistent level of profitability for our stockholders.

# MANAGEMENT

# BOARD

## Dear Stockholders:

Another year in the books and it was a good one! We focus on the Lewis Clark Valley as the only bank headquartered in the valley.

In 2019, Loan growth was \$7.5 million (13.69%), Assets growth was \$5.8 million (5.77%) and Deposit growth was \$4.7 million (5.15%). We focused on loan growth and continue to work closely with local businesses and builders in the Lewis Clark Valley.

Our profits increased over last year by \$619,000 (45.31%) which was a good improvement. We had higher loan totals and even though there were some rate declines the interest rate margin was still good.

Your stockholder Return on Average Equity was 23.27% and the board has declared another cash distribution for your investment. In 2019, we paid down the balance on our Trust Preferred Securities in addition to the quarterly stockholder tax distributions and the annual profit distribution.

Thank you for your support and your banking business. Feel free to stop by. We welcome any suggestions you may have regarding the bank.

## Jody Servatius

President / CEO

Jody Servatius

President / CEO

Marni Bann

EVP / Corp. Secretary / Cashier  
Chief Financial Officer

Willie Deibel

EVP/ Senior Lender

### Financial Statement Disclaimer:

This statement has not been reviewed, or confirmed for accuracy or relevance, by the FDIC or State of Idaho Finance Department. We, the undersigned officers of Twin River Bank attest to the correctness of this statement and declare that to the best of our knowledge and belief it has been presented in conformance with the disclosure requirement as set forth by the regulators.

**Jody Servatius**

President / CEO

**Marni Bann**

EVP / Cashier / CFO

Pursuant to the FDIC Regulation Part 350, our Annual Financial Disclosure Statements for 2018 and 2019 may be obtained at your request in person, by calling 208-746-4848 or writing:

Twin River Bank  
Attn: Marni Bann  
1507 G Street  
Lewiston, ID 83501



John D. Vassar, Chairman  
Retired, Vassar-Rawls Funeral Home

Rick Wasem, Vice Chairman  
Confluence Cellars LLC

Jody Servatius, President / CEO  
Twin River Bank &  
Twin River Financial Corp.

Marni Bann, EVP / CFO  
Twin River Bank &  
Twin River Financial Corp.

Bryan Bentz  
Manager, Bentz Boats, LLC

Brad Cannon  
Retired, Cannon's Building Material Center, Inc.

Willie Deibel, EVP / Senior Lender  
Twin River Bank &  
Twin River Financial Corp.

James C. Luper  
President, Luper Automotive, Inc

Michael T. Rooney, MD  
St Joseph Regional Medical Center

David C. Stegner  
Retired, Stegner Grain & Seed Company

Tom F. Turnbow  
President, Printcraft Printing, Inc.

# 2019 ANNUAL REPORT



TWIN RIVER BANK

www.twinriver.bank

Equal Housing Lender Member FDIC



### BALANCE SHEET

	December	
	2019	2018
<b>ASSETS:</b>	<b>(Amounts in Thousands)</b>	
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin...	\$1,283	\$1,530
Interest-bearing balances.....	\$36,843	\$38,188
Securities:		
Held-to-maturity securities.....	\$2,102	\$1,102
Available-for-sale securities.....	\$1,402	\$2,387
Federal funds sold .....	\$477	\$466
Securities purchased under agreements to resell...	\$0	\$0
Loans		
Loans held for sale.....	\$309	\$0
Loans held for investment.....	\$62,415	\$54,964
LESS: Allowance for loan losses.....	\$624	\$548
Loans, net of unearned income & allowance.....	\$61,791	\$54,416
Premises, fixed assets	\$1,257	\$1,285
Other real estate owned.....	\$0	\$329
Other assets.....	\$373	\$359
<b>Total assets.....</b>	<b>\$105,837</b>	<b>\$100,062</b>
<b>LIABILITIES</b>		
Deposits		
Noninterest-bearing.....	\$23,974	\$21,350
Interest-bearing.....	\$72,358	\$70,260
	\$96,332	\$91,610
Federal funds purchased.....	\$0	\$0
Securities sold under agreements to repurchase.....	\$0	\$0
Other liabilities.....	\$120	\$126
<b>Total liabilities.....</b>	<b>\$96,452</b>	<b>\$91,736</b>
<b>EQUITY CAPITAL</b>		
Common stock, \$5 par value;		
170,000 shares issued.....	\$850	\$850
Surplus.....	\$927	\$927
Retained earnings.....	\$7,606	\$6,562
Accumulated other comprehensive income.....	\$2	(\$13)
<b>Total equity capital.....</b>	<b>\$9,385</b>	<b>\$8,326</b>
<b>Total liabilities and equity capital.....</b>	<b>\$105,837</b>	<b>\$100,062</b>

### INCOME STATEMENT

	Twelve Months Ended December 31	
	2019	2018
<b>INTEREST INCOME:</b>	<b>(Amounts in Thousands)</b>	
Loans secured by real estate.....		
Loans secured by 1-4 family residential.....	\$2,207	\$1,542
All other loans secured by real estate.....	\$898	\$788
Commerical and industrial loans.....	\$770	\$628
Loans to individuals.....	\$169	\$140
All other loans.....	\$54	\$65
<b>Total interest and fee income on loans.....</b>	<b>\$4,098</b>	<b>\$3,163</b>
Balances due from depository institutions.....	\$833	\$755
Interest and dividend income on securities		
U.S. Treasury & Government securities.....	\$70	\$48
All other securities.....	\$3	\$2
Fed funds sold and sec purchased to resell.....	\$10	\$8
Other interest income.....	\$0	\$0
<b>Total interest income.....</b>	<b>\$5,014</b>	<b>\$3,976</b>
<b>INTEREST EXPENSE:</b>		
Interest on deposits:		
Transaction accounts.....	\$25	\$27
Nontransaction accounts:		
Savings deposits (includes MMDA).....	\$191	\$126
Time deposits of \$250,000 or more.....	\$29	\$7
Time deposits of less than \$250,000.....	\$191	\$83
Fed funds purchased & sec sold under repurch.....	\$0	\$0
<b>Total interest expense.....</b>	<b>\$436</b>	<b>\$243</b>
Net interest income.....	\$4,578	\$3,733
Provision for loan and lease losses.....	\$76	\$53
<b>Net interest income after provision.....</b>	<b>\$4,502</b>	<b>\$3,680</b>
<b>NONINTEREST INCOME:</b>		
Service charges on deposit accounts.....	\$79	\$81
Net gains (losses) of OREO sales.....	(\$10)	\$0
Net gains (losses) of Other Asset sales.....	\$0	\$0
Other noninterest income.....	\$110	\$105
<b>Total noninterest income.....</b>	<b>\$179</b>	<b>\$186</b>
Realized gains (losses) on AFS securities.....	\$0	\$0
<b>NONINTEREST EXPENSE:</b>		
Salaries and employee benefits.....	\$1,937	\$1,726
Premises and fixed assets.....	\$221	\$245
Other noninterest expense.....	\$538	\$529
<b>Total noninterest expense.....</b>	<b>\$2,696</b>	<b>\$2,500</b>
Income (loss) before income taxes.....	\$1,985	\$1,366
Applicable income taxes.....	\$0	\$0
<b>Net income (loss).....</b>	<b>\$1,985</b>	<b>\$1,366</b>

### CHANGES IN EQUITY CAPITAL

	12/31/2019	12/31/2018
Total equity capital most recently reported at the end of the prior year.....	\$8,326	\$7,561
Net income (loss).....	\$1,985	\$1,366
Retirement of capital stock .....	\$0	\$0
LESS: Cash dividends declared on		
common stock.....	\$941	\$600
Other comprehensive income.....	\$15	(\$1)
Transactions with holding company.....	\$0	\$0
<b>Total equity capital at the end of the current period.....</b>	<b>\$9,385</b>	<b>\$8,326</b>

### CHANGES IN ALLOWANCE FOR LOAN LOSS

	12/31/2019	12/31/2018
Balance most recently reported at the end of previous year Report of Condition.....	\$548	\$495
Recoveries.....	\$0	\$0
LESS: Charge-offs.....	\$0	\$0
Provision for loan losses.....	\$76	\$53
Adjustments.....	\$0	\$0
<b>Balance end of current period.....</b>	<b>\$624</b>	<b>\$548</b>

### PAST DUE AND NONACCRUAL LOANS

Past due 90 days or more and still accruing:		
Real estate secured by 1-4 fam residential....	\$122	\$0
Commerical and industrial loans.....	\$0	\$0
Other loans to individuals .....	\$0	\$0
Nonaccrual		
Secured by Real Estate 1-4 fam residential....	\$0	\$328
Secured by Junior Liens	\$0	\$0
Secured by owner occupied nonfarm nonresidential properties.....	\$0	\$0
Commercial and industrial loans.....	\$0	\$0
Other (includes installment loans) .....	\$0	\$0
<b>Total.....</b>	<b>\$122</b>	<b>\$328</b>
Loans guaranteed by SBA	\$0	\$0
SBA guaranteed portion	\$0	\$0
Loans restructured in troubled debt		
Secured by Real Estate 1-4 fam residential....	\$0	\$0
Secured by owner occupied nonfarm nonresidential	\$0	\$0

### RATIOS

Return on Average Assets.....	1.50%	1.24%
TRB Return on Average Equity.....	16.92%	14.89%
Bank Book Value per Share.....	\$58.26	\$51.69
<b>Holding Company Book Value per Share.....</b>	<b>\$69.58</b>	<b>\$58.65</b>
<b>TRFC Return on Average Equity.....</b>	<b>23.27%</b>	<b>18.65%</b>



### BALANCE SHEET

	12/31/2019	12/31/2018
<b>Assets</b>	<b>(Dollars in Thousands)</b>	
Balances with bank subsidiary.....	\$66	\$19
Investment in nonbank subsidiary.....	\$43	\$43
Investment in bank subsidiary.....	\$9,385	\$8,326
<b>Total assets.....</b>	<b>\$9,494</b>	<b>\$8,388</b>
<b>Liabilities and Equity Capital</b>		
Notes payable.....	\$58	\$0
Accrued interest payable.....	\$2	\$2
* Balance due to nonbank subsidiaries.....	\$1,162	\$1,412
Dividend payable.....	\$0	\$0
Other liabilities.....	\$2	\$2
<b>Total liabilities.....</b>	<b>\$1,224</b>	<b>\$1,416</b>
Stockholders' equity		
Common stock, including related surplus.....	\$1,497	\$1,497
Other equity capital components.....	(\$1,424)	(\$1,424)
Retained earnings.....	\$8,195	\$6,911
Accumulated other comprehensive income.....	\$2	(\$12)
<b>Total equity capital.....</b>	<b>\$8,270</b>	<b>\$6,972</b>
<b>Total liabilities &amp; equity capital.....</b>	<b>\$9,494</b>	<b>\$8,388</b>

### STATEMENTS OF INCOME

	Twelve Months Ended December 31	
	2019	2018
Operating Income		
Other income.....	\$943	\$615
<b>Total operating income .....</b>	<b>\$943</b>	<b>\$615</b>
Other expense.....	\$63	\$69
Equity in undistributed income (loss) bank sub of nonbank subsidiary .....	\$1,044	\$766
of nonbank subsidiary .....	\$0	(\$12)
<b>Net income (loss) .....</b>	<b>\$1,924</b>	<b>\$1,300</b>
* Less YTD Cash Distributions.....	\$641	\$435
<b>Retained earnings YTD.....</b>	<b>\$1,283</b>	<b>\$865</b>

### Additional Information

* Trust Preferred Securities Payment	\$250	\$200
--------------------------------------	-------	-------



1507 G St, Lewiston, ID 83501



900 5th St, Clarkston, WA 99403



201 2nd St, Asotin, WA 99402



3330 10th St, Lewiston, ID 83501