

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.

Dear Stockholders:

We continued to be a top performing financial institution in the Lewis-Clark Valley, and the only bank headquartered here. While other institutions continue to grow their footprint with large buildings, we continue to grow the bank for our customers and stockholders.

In 2022 our Loan totals grew \$11.6 million in 2022, Assets growth was \$6.8 million (4.8%) and Deposit growth was \$5.3 million (4.1%). Our loan growth stems mainly from closely working with local businesses, builders and home owners where we live. It was our seventh straight year without a charged-off loan.

Our profits increased over the prior year by 48%. Higher loan totals along with rate increases improved our interest margin in this rising rate environment.

Your stockholder Return on Average Equity was 23.86% and the board has declared another cash distribution for your investment. In 2022, 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.

MANAGEMENT



Marni Bann
CEO / CFO



Willie Deibel
President / CCO

Pursuant to the FDIC Regulation Part 350, our Annual Financial Disclosure Statements for 2021 and 2022 may be obtained at your request in person, by calling 208-746-4848, going to our website www.twinriver.bank or writing: Twin River Bank, Attn: Marni Bann, 1507 G Street, Lewiston, ID 83501

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.

Marni Bann
CEO / CFO

Willie Deibel
President / CCO

Marni Bann
CEO/CFO

Willie Deibel
President / CCO

BOARD



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

Rick Wasem, Vice Chairman
Confluence Cellars LLC

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

Willie Deibel, President / CCO
Twin River Bank &
Twin River Financial Corp.

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

Bryan Bentz
Manager, Bentz Boats, LLC

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

James C. Luper
Retired, Luper Automotive, Inc

Michael T. Rooney, MD
Medical Director, St Joseph Family Hospice

David C. Stegner
Retired, Stegner Grain & Seed Company

Tom F. Turnbow
Retired, Printcraft Printing, Inc.

2022 ANNUAL REPORT



TWIN RIVER BANK

www.twinriver.bank

Equal Housing Lender Member FDIC



BALANCE SHEET

| | December | |
|---|------------------|------------------|
| | 2022 | 2021 |
| ASSETS: | | |
| (Amounts in Thousands) | | |
| Cash and balances due from depository institutions: | | |
| Noninterest-bearing balances and currency and coin... | \$3,641 | \$3,831 |
| Interest-bearing balances..... | \$50,159 | \$55,068 |
| Securities: | | |
| Held-to-maturity securities..... | \$197 | \$71 |
| Available-for-sale securities..... | \$2,695 | \$2,951 |
| Federal funds sold | \$436 | \$429 |
| Securities purchased under agreements to resell... | \$0 | \$0 |
| Loans | | |
| Loans held for sale..... | \$825 | \$379 |
| Loans held for investment..... | \$88,392 | \$76,758 |
| LESS: Allowance for loan losses..... | \$785 | \$685 |
| Loans, net of unearned income & allowance..... | \$87,607 | \$76,073 |
| Premises, fixed assets | \$1,134 | \$1,224 |
| Other real estate owned..... | \$0 | \$0 |
| Other assets..... | \$575 | \$404 |
| Total assets..... | \$147,269 | \$140,430 |
| LIABILITIES | | |
| Deposits | | |
| Noninterest-bearing..... | \$41,442 | \$33,801 |
| Interest-bearing..... | \$92,738 | \$94,994 |
| | \$134,180 | \$128,795 |
| Federal funds purchased..... | \$0 | \$0 |
| Securities sold under agreements to repurchase..... | \$0 | \$0 |
| Other liabilities..... | \$123 | \$124 |
| Total liabilities..... | \$134,303 | \$128,919 |
| EQUITY CAPITAL | | |
| Common stock, \$5 par value: | | |
| 170,000 shares issued..... | \$850 | \$850 |
| Surplus..... | \$927 | \$927 |
| Retained earnings..... | \$11,494 | \$9,784 |
| Accumulated other comprehensive income..... | (\$305) | (\$50) |
| Total equity capital..... | \$12,966 | \$11,511 |
| Total liabilities and equity capital..... | \$147,269 | \$140,430 |

INCOME STATEMENT

| | Twelve Months Ended December 31 | |
|--|---------------------------------|----------------|
| | 2022 | 2021 |
| INTEREST INCOME: | | |
| (Amounts in Thousands) | | |
| Loans secured by real estate..... | | |
| Loans secured by 1-4 family residential..... | \$3,036 | \$2,750 |
| All other loans secured by real estate..... | \$1,175 | \$983 |
| Commercial and industrial loans..... | \$757 | \$848 |
| Loans to individuals..... | \$183 | \$171 |
| All other loans..... | \$30 | \$28 |
| Total interest and fee income on loans..... | \$5,181 | \$4,780 |
| Balances due from depository institutions..... | | |
| | \$870 | \$298 |
| Interest and dividend income on securities | | |
| U.S. Treasury & Government securities..... | \$24 | \$19 |
| All other securities..... | \$4 | \$3 |
| Fed funds sold and sec purchased to resell... | \$7 | \$0 |
| Other interest income..... | \$0 | \$0 |
| Total interest income..... | \$6,086 | \$5,100 |
| INTEREST EXPENSE: | | |
| Interest on deposits: | | |
| Transaction accounts..... | \$26 | \$19 |
| Nontransaction accounts: | | |
| Savings deposits (includes MMDA)..... | \$102 | \$68 |
| Time deposits of \$250,000 or less..... | \$94 | \$111 |
| Time deposits of more than \$250,000..... | \$7 | \$7 |
| Fed funds purchased & sec sold under repurch. | \$0 | \$0 |
| Total interest expense..... | \$229 | \$205 |
| Net interest income..... | \$5,857 | \$4,895 |
| Provision for loan and lease losses..... | \$100 | \$101 |
| Net interest income after provision..... | \$5,757 | \$4,794 |
| NONINTEREST INCOME: | | |
| Service charges on deposit accounts..... | \$69 | \$61 |
| Net gains (losses) of OREO sales..... | \$0 | \$0 |
| Net gains (losses) of Other Asset sales..... | \$140 | \$0 |
| Other noninterest income..... | \$125 | \$121 |
| Total noninterest income..... | \$334 | \$182 |
| Realized gains (losses) on AFS securities..... | \$0 | \$0 |
| NONINTEREST EXPENSE: | | |
| Salaries and employee benefits..... | \$2,411 | \$2,296 |
| Premises and fixed assets..... | \$248 | \$219 |
| Other noninterest expense..... | \$630 | \$572 |
| Total noninterest expense..... | \$3,289 | \$3,087 |
| Income (loss) before income taxes..... | \$2,802 | \$1,889 |
| Applicable income taxes..... | \$0 | \$0 |
| Net income (loss)..... | \$2,802 | \$1,889 |

CHANGES IN EQUITY CAPITAL

| | 12/31/2022 | 12/31/2021 |
|---|-----------------|-----------------|
| Total equity capital most recently reported at the end of the prior year..... | | |
| | \$11,511 | \$10,697 |
| Net income (loss)..... | \$2,802 | \$1,889 |
| Retirement of capital stock | \$0 | \$0 |
| LESS: Cash dividends declared on common stock..... | | |
| | \$1,092 | \$1,025 |
| Other comprehensive income..... | (\$255) | (\$50) |
| Transactions with holding company..... | \$0 | \$0 |
| Total equity capital at the end of the current period..... | | |
| | <u>\$12,966</u> | <u>\$11,511</u> |

CHANGES IN ALLOWANCE FOR LOAN LOSS

| | 12/31/2022 | 12/31/2021 |
|---|--------------|--------------|
| Balance most recently reported at the end of previous year Report of Condition..... | | |
| | \$685 | \$584 |
| Recoveries..... | \$0 | \$0 |
| LESS: Charge-offs..... | \$0 | \$0 |
| Provision for loan losses..... | \$100 | \$101 |
| Adjustments..... | \$0 | \$0 |
| Balance end of current period..... | \$785 | \$685 |

PAST DUE AND NONACCRUAL LOANS

| | 12/31/2022 | 12/31/2021 |
|--|------------|------------|
| Past due 90 days or more and still accruing: | | |
| Real estate secured by 1-4 fam residential.... | \$0 | \$0 |
| Commercial and industrial loans..... | \$0 | \$0 |
| Other loans to individuals | \$0 | \$0 |
| Nonaccrual | | |
| Secured by Real Estate 1-4 fam residential.... | \$0 | \$0 |
| 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 |
| Total..... | \$0 | \$0 |
| Loans guaranteed by SBA | | |
| 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

| | 12/31/2022 | 12/31/2021 |
|---|-----------------|----------------|
| Return on Average Assets..... | 1.85% | 1.39% |
| TRB Return on Average Equity..... | 23.25% | 17.01% |
| Bank Book Value per Share..... | \$80.49 | \$71.46 |
| Holding Company Book | | |
| Value per Share..... | \$107.23 | \$92.14 |
| TRFC Return on Average Equity..... | 23.86% | 17.07% |



BALANCE SHEET

| | 12/31/2022 | 12/31/2021 |
|--|-----------------|-----------------|
| Assets | | |
| (Dollars in Thousands) | | |
| Balances with bank subsidiary..... | \$127 | \$68 |
| Investment in nonbank subsidiary..... | \$43 | \$43 |
| Investment in bank subsidiary..... | \$12,966 | \$11,511 |
| Total assets..... | \$13,136 | \$11,622 |
| Liabilities and Equity Capital | | |
| Notes payable..... | \$78 | \$58 |
| Accrued interest payable..... | \$0 | \$0 |
| * Balance due to nonbank subsidiaries..... | \$312 | \$612 |
| Dividend payable..... | \$0 | \$0 |
| Other liabilities..... | \$0 | \$0 |
| Total liabilities..... | \$390 | \$670 |
| Stockholders' equity | | |
| Common stock, including related surplus..... | \$1,497 | \$1,497 |
| Other equity capital components..... | (\$1,424) | (\$1,424) |
| Retained earnings..... | \$12,978 | \$10,928 |
| Accumulated other comprehensive income..... | (\$305) | (\$49) |
| Total equity capital..... | \$12,746 | \$10,952 |
| Total liabilities & equity capital..... | \$13,136 | \$11,622 |

STATEMENTS OF INCOME

| | Twelve Months Ended December 31 | |
|---|---------------------------------|----------------|
| | 2022 | 2021 |
| Operating Income | | |
| Dividends & Other income..... | \$1,094 | \$1,026 |
| Total operating income | \$1,094 | \$1,026 |
| Total expense..... | \$23 | \$21 |
| | \$1,071 | \$1,005 |
| Equity in undistributed income (loss) bank sub nonbank subsidiary | | |
| | \$1,710 | \$864 |
| | \$0 | \$0 |
| Net income (loss) | \$2,781 | \$1,869 |
| * Less YTD Cash Distributions..... | \$731 | \$699 |
| Retained earnings YTD..... | \$2,050 | \$1,170 |

Additional Information

| | | |
|--------------------------------------|-------|-------|
| * Trust Preferred Securities Payment | \$300 | \$300 |
|--------------------------------------|-------|-------|



1507 G St, Lewiston, ID 83501



900 5th St, Clarkston, WA 99403



201 2nd St, Asotin, WA 99402



3330 10th St, Lewiston, ID 83501