

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 TEAM

Dear Stockholders:

This year is our 38th Anniversary - we continue to focus on the Lewis Clark Valley as the only bank headquartered in the valley.

In 2016, Deposit growth was \$3.5 million (3.9%), Asset growth was \$3.7 million (3.9%) and Loan growth was \$2.2 million (4.7%). We focus on good steady growth as we continue to work closely with local businesses in the Lewis Clark Valley.

Our profits increased over last year by \$99,000 (16.8%) and remain somewhat low with the low interest rate environment. Your stockholder Return on Average Equity was 11.45% and the board has declared another cash distribution for your investment. In 2016 we paid \$150,000 on our Trust Preferred Securities as compared to \$100,000 in 2016.

Thank you for your support and your banking business (we sure hope you do your banking with your bank to help your investment grow). Feel free to stop by. We welcome any suggestions you may have regarding the bank.

Jody Servatius

President / CEO

Office of the Comptroller of the Currency Disclaimer:

This statement has not been reviewed, or confirmed for accuracy or relevance, by the Office of the Comptroller of the Currency. We, the undersigned officers of Twin River National 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 Comptroller of the Currency.

Jody Servatius

President / CEO

Marni Bann

EVP / Cashier / CFO

BOARD OF DIRECTORS

TWIN RIVER NATIONAL BANK



Jody Servatius
President / CEO

Marni Bann
EVP / Corp. Secretary / Cashier
Chief Financial Officer

Willie Deibel
EVP/ Senior Lender / Facilities Manager

Rick Acuff
EVP / Chief Information Officer

Mandy Benke
VP/ Lewiston Branch Manager

Jackie Hough
VP/Asotin Manager / RE & AG Manager

Kathy Brown
VP / Clarkston Manager

Nikki Rogers
VP / Orchards Manager

Amy Brixen
Compliance Officer / Auditor

Julie Guinn
Loan Officer

Matt Small
Loan Officer / Admin Assistant

Erin Bullock
Loan Assistant

Jenni Uhlenkott
Loan Assistant

Pursuant to the FDIC Regulation Part 350, our Annual Financial Disclosure Statements for 2015 and 2016 may be obtained at your request in person, by calling 208-746-4848 or writing: Twin River National Bank, attn: Marni Bann, 1507 G Street, Lewiston, ID 83501.

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

Rick Wasem, Vice Chairman
Governor, Wasem's Inc. & Confluence Cellars LLC

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

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

Bryan Bentz
Manager, Bentz Boats, LLC

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

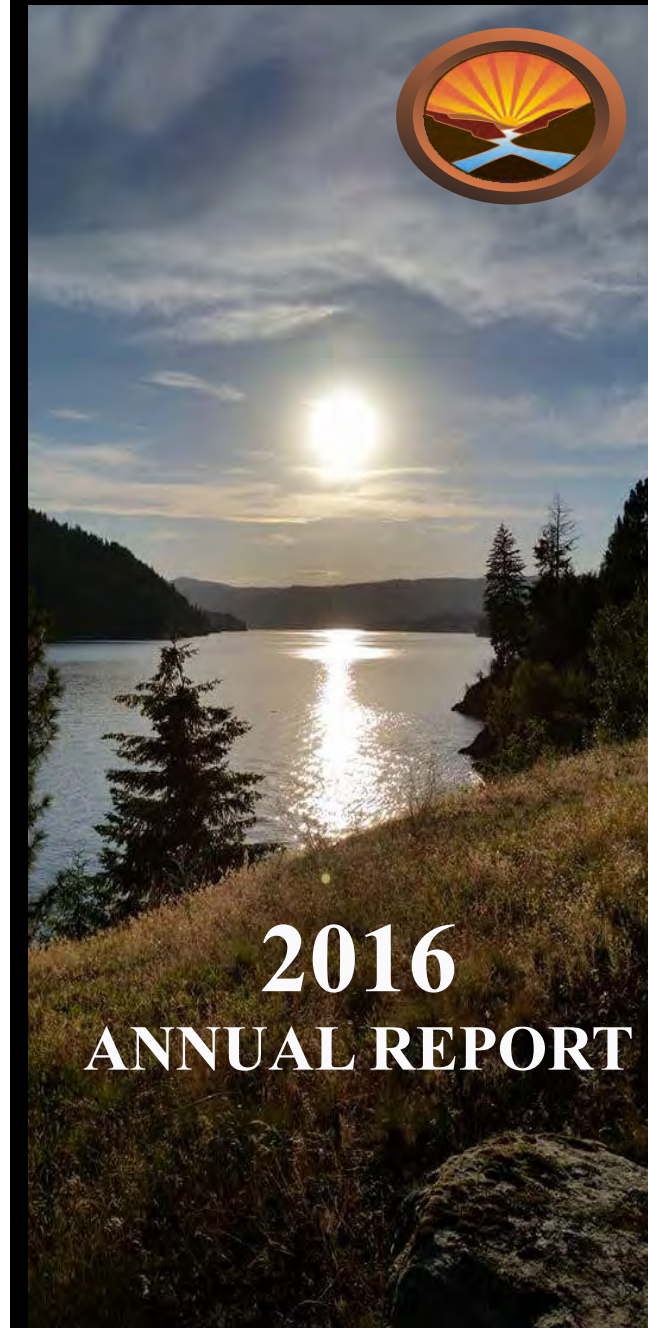
Willie Deibel, EVP / Senior Lender
Twin River National Bank &
Twin River Financial Corp.

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.



2016 ANNUAL REPORT



BALANCE SHEET

	December	
	2016	2015
ASSETS: (Amounts in Thousands)		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin...	\$1,170	\$915
Interest-bearing balances.....	\$42,489	\$41,213
Securities:		
Held-to-maturity securities.....	\$2,000	\$1,999
Available-for-sale securities.....	\$1,420	\$1,415
Federal funds sold.....	\$454	\$478
Securities purchased under agreements to resell...	\$0	\$0
Loans		
Loans, net of unearned income.....	\$49,791	\$47,569
LESS: Allowance for loan losses.....	\$515	\$488
Loans, net of unearned income & allowance.....	\$49,276	\$47,081
Premises, fixed assets		
Other real estate owned.....	\$1,455	\$1,452
Other real estate owned.....	\$338	\$338
Other assets.....	\$339	\$355
Total assets.....	\$98,941	\$95,246

LIABILITIES

Deposits		
Noninterest-bearing.....	\$19,804	\$19,940
Interest-bearing.....	\$71,927	\$68,331
	\$91,731	\$88,271
Federal funds purchased.....	\$0	\$0
Securities sold under agreements to repurchase.....	\$0	\$0
Other liabilities.....	\$84	\$71
Total liabilities.....	\$91,815	\$88,342

EQUITY CAPITAL

Common stock, \$5 par value;		
170,000 shares issued.....	\$850	\$850
Surplus.....	\$927	\$927
Retained earnings.....	\$5,356	\$5,139
Accumulated other comprehensive income.....	(\$7)	(\$12)
Total equity capital.....	\$7,126	\$6,904
Total liabilities and equity capital.....	\$98,941	\$95,246

INCOME STATEMENT

	Twelve Months Ended December 31	
	2016	2015
INTEREST INCOME: (Amounts in Thousands)		
Loans secured by real estate.....		
Loans secured by 1-4 family residential.....	\$1,379	\$1,222
All other loans secured by real estate.....	\$688	\$782
Commercial and industrial loans.....	\$517	\$511
Loans to individuals.....	\$120	\$112
All other loans.....	\$45	\$20
Total interest and fee income on loans.....	\$2,749	\$2,647
Balances due from depository institutions.....		
	\$331	\$200
Interest and dividend income on securities		
U.S. Treasury & Government securities.....	\$36	\$33
All other securities.....	\$0	\$0
Fed funds sold and sec purchased to resell...	\$2	\$1
Other interest income.....	\$3	\$3
Total interest income.....	\$3,121	\$2,884
INTEREST EXPENSE:		
Interest on deposits:		
Transaction accounts.....	\$26	\$22
Nontransaction accounts:		
Savings deposits (includes MMDA).....	\$85	\$75
Time deposits of \$100,000 or more.....	\$37	\$27
Time deposits of less than \$100,000.....	\$48	\$47
Fed funds purchased & sec sold under repurch.	\$0	\$0
Total interest expense.....	\$196	\$171
Net interest income.....	\$2,925	\$2,713
Provision for loan and lease losses.....	\$27	\$45
Net interest income after provision.....	\$2,898	\$2,668
NONINTEREST INCOME:		
Service charges on deposit accounts.....	\$75	\$93
Net gains (losses) of OREO sales.....	\$0	(\$31)
Net gains (losses) of Other Asset sales.....	\$0	\$2
Other noninterest income.....	\$93	\$124
Total noninterest income.....	\$168	\$188
Realized gains (losses) on AFS securities.....	\$0	\$0
NONINTEREST EXPENSE:		
Salaries and employee benefits.....	\$1,519	\$1,462
Premises and fixed assets.....	\$276	\$255
Other noninterest expense.....	\$582	\$549
Total noninterest expense.....	\$2,377	\$2,266
Income (loss) before income taxes.....	\$689	\$590
Applicable income taxes.....	\$0	\$0
Net income (loss).....	\$689	\$590

CHANGES IN EQUITY CAPITAL

	12/31/2016	12/31/2015
Total equity capital most recently reported at the end of the prior year.....	\$6,904	\$6,627
Net income (loss).....	\$689	\$590
Retirement of capital stock.....	\$0	\$0
LESS: Cash dividends declared on		
common stock.....	\$472	\$319
Other comprehensive income.....	\$5	\$6
Transactions with holding company.....	\$0	\$0
Total equity capital at the end of the current period.....	\$7,126	\$6,904

CHANGES IN ALLOWANCE FOR LOAN LOSS

Balance most recently reported at the end of previous year Report of Condition.....	\$488	\$450
Recoveries.....	\$0	\$3
LESS: Charge-offs.....	\$0	\$10
Provision for loan losses.....	\$27	\$45
Balance end of current period.....	\$515	\$488

PAST DUE AND NONACCRUAL LOANS

Past due 90 days or more and still accruing:		
Real estate secured by 1-4 fam residential....	\$34	\$0
Commercial and industrial loans.....	\$0	\$0
Other loans to individuals.....	\$0	\$0
Nonaccrual		
Secured by Real Estate 1-4 fam residential....	\$232	\$232
Secured by Junior Liens.....	\$0	\$0
Secured by owner occupied nonfarm nonresidential properties.....		
	\$0	\$0
Commercial and industrial loans.....	\$37	\$38
Other (includes installment loans).....	\$0	\$0
Total.....	\$303	\$270
Loans guaranteed by SBA		
SBA guarantee 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.....	0.71%	0.66%
TRNB Return on Average Equity.....	9.67%	8.78%
Bank Book Value per Share.....	\$44.24	\$42.86
Holding Company Book		
Value per Share.....	\$46.88	\$44.18
TRFC Return on Average Equity.....	11.45%	10.37%



BALANCE SHEET

	12/31/2016		12/31/2015	
	(Dollars in Thousands)			
Assets				
Balances with bank subsidiary.....	\$214		\$250	
Investment in nonbank subsidiary.....	\$55		\$62	
Investment in bank subsidiary.....	\$7,126		\$6,904	
Total assets.....	\$7,395		\$7,216	
Liabilities and Equity Capital				
Notes payable.....	\$0		\$0	
Accrued interest payable.....	\$2		\$2	
* Balance due to nonbank subsidiaries.....	\$1,812		\$1,962	
Dividend payable.....	\$0		\$0	
Other liabilities.....	\$8		\$1	
Total liabilities.....	\$1,822		\$1,965	
Stockholders' equity				
Common stock, including related surplus.....	\$1,497		\$1,497	
Other equity capital components.....	(\$1,424)		(\$1,424)	
Retained earnings.....	\$5,507		\$5,190	
Accumulated other comprehensive income.....	(\$7)		(\$12)	
Total equity capital.....	\$5,573		\$5,251	
Total liabilities & equity capital.....	\$7,395		\$7,216	

STATEMENTS OF INCOME

	Twelve Months Ended December 31	
	2016	2015
Operating Income		
Other income.....	\$474	\$321
Total operating income.....	\$474	\$321
Other expense.....	\$53	\$47
Equity in undistributed income (loss)		
of bank subsidiary.....	\$217	\$271
Net income (loss).....	\$638	\$545
* Less YTD Cash Distributions.....	\$321	\$173
Retained earnings YTD.....	\$317	\$372

Additional Information

* Trust Preferred Securities Payment	\$150	\$100
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App Store



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900 5th St, Clarkston, WA 99403



201 2nd St, Asotin, WA 99402



3330 10th St, Lewiston, ID 83501