

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

BOARD OF DIRECTORS

TWIN RIVER NATIONAL BANK

Dear Stockholders:

We continue to hold a 5 Star Rating by Bauer Financial, which is the highest rating given to banks. Deposit growth was \$7.6 million (13%), Asset growth was \$7.6 million (12%) and Loan growth was \$2.6 million (6.6%) in 2011. We feel that our growth was primarily due to businesses and individuals looking for a high rated bank.

Our profits marginally increased over last year by \$18,000 despite continued low interest rates and a sluggish local economy. The FDICs insurance premium and the OCC assessment fee increases have been large expenses that we have had to absorb.

We have kept our delinquent loan totals low; however our non-accrual loans have increased. We diligently monitor our loans and have worked with our customers to help get them through these tough economic times.

Thank you for your support and your business and as always feel free to stop by to visit over a cup of coffee and ask any questions you may have regarding the bank.

Jody Servatius

President / CEO



Jody Servatius
President / CEO

Marni Bann
Corp. Secretary / Cashier /
Chief Financial Officer

John Sullivan
Vice President / Chief Credit Officer

Rick Acuff
Vice President / Chief Information Officer

Jackie Hough
Real Estate Department Manager

Kathy Brown
Clarkston Manager / Loan Officer

Nikki Rogers
Loan Officer / New Accounts Manager

Amy Brixen
Auditor / Compliance Officer

Angie Mooneyham
Loan Officer / Teller Supervisor

Willie Deibel
Loan Officer / Facilities Manager

Stacie Renfro, Karen Holland
Mandy Roberts, Ryan Turnbow
Loan Officers

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

David C. Stegner, Vice Chairman
Retired, Stegner Grain & Seed Company

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

Lynn H. Ausman
Self-employed grain farmer, Anatone

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

James C. Luper
President, Luper Automotive, Inc

Michael T. Rooney, MD
Retired Oncologist, St. Joseph Regional Cancer Center

Tom F. Turnbow
President, Printcraft Printing, Inc.

Rick Wasem
President, Wasem's Drugs, Inc.

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
Cashier / CFO

Pursuant to the FDIC Regulation Part 350, our Annual Financial Disclosure Statements for 2011 and 2010 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.



2011 ANNUAL REPORT



BALANCE SHEET

	December	
	2011	2010
ASSETS:		
(Amounts in Thousands)		
Cash and balances due from depository institutions:		
Noninterest-bearing balances and currency and coin...	\$756	\$697
Interest-bearing balances.....	\$25,701	\$18,622
Securities:		
Held-to-maturity securities.....	\$600	\$0
Available-for-sale securities.....	\$1,029	\$2,540
Federal funds sold.....	\$147	\$147
Securities purchased under agreements to resell...	\$0	\$1,000
Loans		
Loans, net of unearned income.....	\$42,032	\$39,422
LESS: Allowance for loan losses.....	\$430	\$399
Loans, net of unearned income & allowance.....	\$41,602	\$39,023
Premises and fixed assets.....	\$1,442	\$1,515
Other real estate owned.....	\$609	\$625
Other assets.....	\$456	\$502
Total assets.....	\$72,342	\$64,671
LIABILITIES		
Deposits		
Noninterest-bearing.....	\$14,573	\$21,667
Interest-bearing.....	\$51,574	\$36,799
	\$66,147	\$58,466
Federal funds purchased.....	\$0	\$0
Securities sold under agreements to repurchase.....	\$0	\$167
Other liabilities.....	\$85	\$83
Total liabilities.....	\$66,232	\$58,716
EQUITY CAPITAL		
Common stock, \$5 par value;		
170,000 shares issued.....	\$850	\$850
Surplus.....	\$927	\$927
Retained earnings.....	\$4,328	\$4,159
Accumulated other comprehensive income.....	\$5	\$19
Total equity capital.....	\$6,110	\$5,955
Total liabilities and equity capital.....	\$72,342	\$64,671



INCOME STATEMENT

	Twelve Months Ended December 31	
	2011	2010
INTEREST INCOME:		
(Amounts in Thousands)		
Loans secured by real estate.....		
Loans secured by 1-4 family residential.....	\$1,064	\$1,064
All other loans secured by real estate.....	\$589	\$550
Commerical and industrial loans.....	\$687	\$715
Loans to individuals.....	\$171	\$169
All other loans.....	\$27	\$20
Total interest and fee income on loans.....	\$2,538	\$2,518
Balances due from depository institutions.....	\$125	\$100
Interest and dividend income on securities		
U.S. Treasury & Government securities.....	\$37	\$109
All other securities.....	\$12	\$0
Fed funds sold and sec purchased to resell...	\$0	\$0
Other interest income.....	\$3	\$3
Total interest income.....	\$2,715	\$2,730
INTEREST EXPENSE:		
Interest on deposits:		
Transaction accounts.....	\$23	\$25
Nontransaction accounts:		
Savings deposits (includes MMDA).....	\$115	\$160
Time deposits of \$100,000 or more.....	\$56	\$79
Time deposits of less than \$100,000.....	\$103	\$168
Fed funds purchased & sec sold under repurch.	\$0	\$1
Total interest expense.....	\$297	\$433
Net interest income.....	\$2,418	\$2,297
Provision for loan and lease losses.....	\$34	\$33
Net interest income after provision.....	\$2,384	\$2,264
NONINTEREST INCOME:		
Service charges on deposit accounts.....	\$125	\$148
Net gains on sales of other real estate owned.....	\$1	\$0
Other noninterest income.....	\$135	\$105
Total noninterest income.....	\$261	\$253
Realized gains (losses) on AFS securities.....	\$0	\$27
NONINTEREST EXPENSE:		
Salaries and employee benefits.....	\$1,385	\$1,348
Premises and fixed assets.....	\$230	\$216
Other noninterest expense.....	\$561	\$524
Total noninterest expense.....	\$2,176	\$2,088
Income (loss) before income taxes.....	\$469	\$456
Applicable income taxes.....	\$0	\$5
Net income (loss).....	\$469	\$451



CHANGES IN EQUITY CAPITAL

	12/31/2011	12/31/2010
Total equity capital most recently reported at the end of the prior year.....	\$5,955	\$5,934
Net income (loss).....	\$469	\$451
Retirement of capital stock.....	\$0	\$0
LESS: Cash dividends declared on		
common stock.....	\$300	\$347
Other comprehensive income.....	(\$14)	(\$83)
Transactions with holding company.....	\$0	\$0
Total equity capital at the end of the current period.....	\$6,110	\$5,955

CHANGES IN ALLOWANCE FOR LOAN LOSS

	12/31/2011	12/31/2010
Balance most recently reported at the end of previous year Report of Condition.....	\$399	\$406
Recoveries.....	\$0	\$3
LESS: Charge-offs.....	\$3	\$43
Provision for loan losses.....	\$34	\$33
Balance end of current period.....	\$430	\$399

PAST DUE AND NONACCRUAL LOANS

	12/31/2011	12/31/2010
Past due 90 days or more and still accruing:		
Real estate secured by multifamily property....	\$0	\$0
Commerical and industrial loans.....	\$0	\$0
Other loans to individuals.....	\$0	\$0
Nonaccrual		
Secured by Real Estate 1-4 fam residential....	\$232	\$0
Secured by owner occupied nonfarm		
nonresidential properties.....	\$298	\$0
Commercial and industrial loans.....	\$133	\$72
Other (includes installment loans).....	\$13	\$16
Total.....	\$676	\$88
Loans guaranteed by SBA	\$0	\$0
SBA guaranteed portion	\$0	\$0

RATIOS

Return on Average Assets.....	0.66%	0.69%
Return on Average Equity.....	7.66%	7.64%
Bank Book Value per Share.....	\$37.93	\$36.97
Holding Company Book Value per Share.....	\$34.30	\$32.97



BALANCE SHEET

	12/31/2011		12/31/2010	
	(Dollars in Thousands)			
Assets				
Balances with bank subsidiary.....		\$7		\$2
Investment in nonbank subsidiary.....		\$62		\$62
Investment in bank subsidiary.....		\$6,110		\$5,955
Total assets.....		\$6,179		\$6,019
Liabilities and Equity Capital				
Notes payable.....		\$0		\$0
Accrued interest payable.....		\$6		\$6
Balance due to nonbank subsidiaries.....		\$2,062		\$2,062
Dividend payable.....		\$0		\$0
Other liabilities.....		\$0		\$0
Total liabilities.....		\$2,068		\$2,068
Stockholders' equity				
Common stock, including related surplus.....		\$1,497		\$1,497
Other equity capital components.....		(\$1,389)		(\$1,389)
Retained earnings.....		\$3,998		\$3,824
Accumulated other comprehensive income.....		\$5		\$19
Total equity capital.....		\$4,111		\$3,951
Total liabilities & equity capital.....		\$6,179		\$6,019

STATEMENTS OF INCOME

	Twelve Months Ended December 31	
	2011	2010
Operating Income		
Other income.....	\$304	\$352
Total operating income.....	\$304	\$352
Other expense.....	\$140	\$142
Equity in undistributed income (loss)		
of bank subsidiary.....	\$169	\$103
Net income (loss).....	\$333	\$313
Less YTD Cash Distributions.....	\$159	\$148
Retained earnings YTD.....	\$174	\$165

