



ANNUAL REPORT 2024



Valued Two Rivers Financial Group, Inc. Shareholders,

Two Rivers Financial Group, Inc. (TRFG) Board of Directors invites you to attend the 2025 Virtual TRFG Annual Shareholder Meeting to be held on Wednesday, February 26, 2025, at 5:30pm, CST. Registration information for virtual attendance can be found on the TRFG investor relations website. Register in advance as registration is closed once the annual meeting is in session.

Please follow the instructions provided with your Annual Meeting Notice to cast your vote, whether you plan to attend virtually or not. The Board of Directors recommends voting in favor of each of the director nominees presented on your proxy. You can submit your vote via telephone, internet, or mail. We encourage you to vote today, as your participation is important.

2024 TRFG ANNUAL REPORT

On behalf of the TRFG Board of Directors, Leadership, and Team Members, I present our 2024 highlights and financial performance.

HIGHLIGHTS

- Increased net income 18%
- Improved earnings per share \$0.59, or 17.5%
- Increased Two Rivers Wealth Management (TRWM) assets under management (AUM) by 12.7%, improving TRWM revenues by 12%
- Committed to company-wide Customer Service Training Program with 100% Team Member participation
- Completed required year one compliance of Federal Deposit Insurance Corporation Improvement Act (FDICIA) for banks exceeding \$1 billion in assets
- TRFG Board of Directors declared a dividend of \$0.70 per share, marking the fifth dividend increase in 10 years

TWO RIVERS FINANCIAL GROUP, INC. (TRFG) reported consolidated net earnings of \$8,336,422 in 2024 compared to \$7,089,320 in 2023. This represents \$3.96 earnings per share in 2024 compared to \$3.37 earnings per share in 2023, an increase of 17.5%.

Book value on December 31, 2024 was \$49.45 compared to \$46.70 on December 31, 2023, an increase of 5.89%. Earnings were the primary contributor to the improved book value with the Two Rivers Bank & Trust (TR Bank) bond portfolio recording a modest increase in unrealized losses compared to 2023 year-end. TR Bank maintains its stance to hold its securities in the unrealized loss position as the Company's capital, liquidity, and contingency funding plans remain strong.

TRFG's shares (TRVR) closed at \$37.00 on December 31st, a decrease of 5.13% year-over-year. Despite the decrease in share price in 2024, the Company's share price has improved 17.27% over the past five years. On November 20, 2024, TRFG awarded shareholders with a cash dividend of \$0.70 per share. TRFG has consistently provided shareholders with an annual dividend since 1989 and 2024 marks the fifth dividend increase in 10 years. Historic prices, dividend payments and current trading prices may be accessed at: <http://investors.tworiversfinancialgroup.com/Stock>.

TWO RIVERS BANK & TRUST reported earnings of \$9,899,503 compared to \$6,947,735 in 2023, an increase of 42%.

Deposits on December 31, 2024 totaled \$1,008,679,537 compared to \$1,022,382,603 on December 31, 2023, a decrease of 1%. The decrease was primarily driven by normal customer cash flow needs and deposit funding strategies. The Federal Open Market Committee (FOMC) initiated rate cuts beginning in September of 2024, however customers' expectations and the competition for deposits remained strong throughout 2024. Customers' expectations for continued value on their deposits did not decline as rapidly as the FOMC's rate cuts. The cost of funding deposit relationships remained pressured with an overall shift in deposit mix from demand and savings to time deposits. The increased dependence on time deposits, though more costly, transitions deposits to a more normalized funding structure.

Total loans were \$931,492,662 on December 31, 2024 compared to total loans of \$929,106,452 on December 31, 2023. While there was notable new loan growth of approximately \$148 million in 2024, loan pre-payments, line of credit reductions, and the exit of problem loans impacted net loan growth. Deposit strategies and market competition resulted in the increase of net loans to deposits from 89.70% in 2023 to 91.15% in 2024. Annualized loan yields improved by 54 basis points (bps) year-over-year despite the competitive loan environment. With earnings as a primary initiative, the Bank was focused on generating loans that met our return on equity and return on asset targets.

TWO RIVERS WEALTH MANAGEMENT generated record earnings of \$4,910,558 in 2024, an increase of 12% year-over-year. Assets under management increased 9% due to new relationship growth, the deepening of existing relationships, and market appreciation. The customer relationships cultivated in 2024 can be attributed to proactive calling efforts and customer referrals.

CLOSING COMMENTS

Interest expense management, loan loss provision reduction and an improved non-interest income increase of 8% helped to increase net income in 2024. New loan activity was strong but was impacted by loan payoffs and amortization, while the exiting loans provided a positive impact to loan portfolio credit quality and stronger yields in 2024. The growth in relationships and accounts in the Wealth Management department was positive for the company, providing potential for future earnings. This year, Treasury Management services gained more traction with our customers and provided both quality services and products to our business customers. Team members continued to move forward initiatives related to championing improvements in customer service and technologies to support the needs of our customers and to make banking more accessible and convenient, while improving the operational efficiencies of the Company.

TRFG share price was challenged in mid-2024 but rallied at year end to a reasonable share price and book value improved year-over-year. As our earnings continue to improve, we expect the share price to reflect the Company's greater value.

I would like to acknowledge the efforts of the TRFG and TR Bank team members for their contributions to the financial performance of the company and to their continued support of the customers they serve proudly – every day. I believe it is true that the value our team provides to customers through the relationships they build is truly the foundation of community banking success. We are focused on creating opportunities for success and look forward to sharing our accomplishments with our shareholders in 2025.

To our shareholders, thank you for your time, your engagement, and your commitment to the success of Two Rivers Financial Group.

Respectfully,



FRANK J. DELANEY

Chair & Interim CEO
Two Rivers Financial Group, Inc.



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About Two Rivers Financial Group, Inc.:

Two Rivers Financial Group, Inc. is headquartered in Burlington, IA and is a financial holding company servicing clients throughout Iowa and surrounding states. Two Rivers Bank & Trust is a wholly owned subsidiary of Two Rivers Financial Group, Inc., offering an extensive menu of financial solutions encompassing banking, trust, and investment services with branches in Ankeny, Bettendorf (loan production office), Burlington, Coralville, Des Moines, Fort Madison, Keokuk, Mediapolis, Mount Pleasant, Urbandale, West Burlington, and West Point. Two Rivers Financial Group, Inc. shares trade on OTCQX® under ticker symbol "TRVR".

IN THOUSANDS, EXCEPT FOR SHARE DATA

CONSOLIDATED BALANCE SHEETS | Years Ended December 31, 2024, 2023 and 2022 (unaudited)

ASSETS	2024	2023	2022
Cash and due from banks	\$18,818	\$20,741	\$73,080
Federal funds sold	\$309	\$0	\$351
Investment securities	\$161,827	\$192,160	\$226,167
Loans before allowance for loan losses	\$931,493	\$929,106	\$887,333
Allowance for loan losses	(\$12,039)	(\$12,041)	(\$9,079)
Goodwill and other intangibles	\$26,331	\$27,762	\$29,334
Other assets	\$40,181	\$40,539	\$41,689
Total assets	\$1,166,920	\$1,198,267	\$1,248,875

LIABILITIES AND STOCKHOLDERS' EQUITY	2024	2023	2022
Deposits	\$1,007,856	\$1,021,702	\$1,093,613
Securities sold under agreements to repurchase	\$0	\$0	\$14,961
Borrowings	\$40,934	\$64,995	\$33,378
Junior subordinated debentures	\$10,310	\$10,310	\$10,310
Other liabilities	\$4,634	\$2,849	\$3,145
Total liabilities	\$1,063,734	\$1,099,856	\$1,155,407
Stockholders' equity	\$103,186	\$98,411	\$93,468
Total liabilities and stockholders' equity	\$1,166,920	\$1,198,267	\$1,248,875

	2024	2023	2022
Book value	\$49.45	\$46.70	\$44.41
Tangible book value	\$36.83	\$33.52	\$30.47

CONSOLIDATED STATEMENTS OF INCOME

	2024	2023	2022
Interest income	\$53,437	\$49,662	\$33,574
Interest expense	\$23,357	\$17,434	\$3,747
Net interest income	\$30,080	\$32,228	\$29,827
Provision for loan losses	(\$127)	\$796	(\$439)
Net interest income after provision for loan losses	\$30,207	\$31,432	\$30,266
Non-interest income	\$11,491	\$10,595	\$10,293
Net gain on sale of subsidiary	\$0	\$0	\$1,000
Operating expenses	\$30,475	\$33,129	\$30,319
Income taxes	\$2,887	\$1,809	\$2,941
Net income	\$8,336	\$7,089	\$8,299

	2024	2023	2022
Earnings per share	\$3.96	\$3.37	\$3.92
Cash dividends declared per common share	\$0.70	\$0.68	\$0.68



IN THOUSANDS

BALANCE SHEETS | Years Ended December 31, 2024, 2023 and 2022 (unaudited)

ASSETS	2024	2023	2022
Cash and due from banks	\$18,818	\$20,741	\$24,068
Federal funds sold	\$309	\$0	\$0
Investment securities	\$161,827	\$192,160	\$209,665
Loans before allowance for loan losses	\$931,493	\$929,106	\$685,185
Allowance for loan losses	(\$12,039)	(\$12,041)	(\$8,998)
Goodwill and other intangibles	\$26,331	\$27,762	\$8,482
Other assets	\$38,819	\$39,274	\$36,290
Total assets	\$1,165,558	\$1,197,002	\$954,692

LIABILITIES AND STOCKHOLDERS' EQUITY	2024	2023	2022
Deposits	\$1,008,679	\$1,022,383	\$846,990
Securities sold under agreements to repurchase	\$0	\$0	\$14,961
Borrowings	\$19,944	\$43,194	\$0
Other liabilities	\$4,592	\$3,013	\$2,397
Total liabilities	\$1,033,215	\$1,068,590	\$864,348
Stockholders' equity	\$132,343	\$128,412	\$90,344
Total liabilities and stockholders' equity	\$1,165,558	\$1,197,002	\$954,692

STATEMENTS OF INCOME

	2024	2023	2022
Interest income	\$53,437	\$39,472	\$30,627
Interest expense	\$21,783	\$12,354	\$2,515
Net interest income	\$31,654	\$27,118	\$28,112
Provision for loan losses	(\$127)	\$696	(\$539)
Net interest income after provision for loan losses	\$31,781	\$26,422	\$28,651
Non-interest income	\$10,942	\$9,840	\$9,935
Operating expenses	\$29,741	\$27,443	\$27,692
Income taxes	\$3,082	\$1,871	\$2,671
Net income	\$9,900	\$6,948	\$8,223

Wholly owned subsidiary of Two Rivers Financial Group, Inc.

Two Rivers Bank & Trust

Mission, Vision, and Value Statement

At Two Rivers Bank & Trust we are constantly seeking to improve our services offered. As part of our continuous evolution, our mission, vision, and values guide our teams to better serve our customers. Whether we are assisting our customers with their financial goals, working together to reach organization goals, or volunteering throughout our communities, supporting the financial well-being of our customers, employees, and communities is at the heart of everything we do.

MISSION

At Two Rivers Bank & Trust, it is our mission to empower you to achieve your financial goals and freedom through innovation, dedication, and expertise. Supporting the financial well-being of our customers, employees, and communities is at the heart of everything we do.

VISION

Through all of life’s changes and challenges, we will be your trusted financial partner.

VALUES

Two Rivers Bank & Trust is built upon the principles of commitment, forward-thinking, trusted partnerships, and authenticity.

Commitment– We provide value to our customers and team members by delivering responsible financial options to improve their experiences today and tomorrow.

Forward Thinking– We continuously seek to provide our customers with convenient and comprehensive solutions.

Trusted Partnerships– We work towards better financial security for our neighbors, families, and friends.

Authenticity– We strive to create a space for people to be authentic and pursue their personal goals.



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Investors.tworiversfinancialgroup.com

Notice Regarding Forward-Looking Statements. This document contains forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995. All statements contained in this document other than statements of historical fact, including, without limitation, statements regarding potential future and objectives of the company, are forward-looking statements that involve risks and uncertainties. The words "believe," "may," "will," "estimate," "continue," "anticipate," "intend," "expect," and similar expressions are intended to identify forward-looking statements. These forward-looking statements are subject to a number of risks, uncertainties and assumptions. There can be no assurance that these statements will prove to be accurate and actual results and future events could differ materially from those anticipated in such statements. The company cautions that these forward-looking statements are further qualified by other factors. We undertake no obligation to revise or publicly release the results of any revision to these forward-looking statements, except as required by law. Given these risks and uncertainties, readers are cautioned not to place undue reliance on such forward-looking statements.