



222 N. Main St.
Burlington, IA 52601
319.753.9145

November 8, 2024

Dear Shareholder,

Two Rivers Financial Group, Inc. (TRFG or "the Company"), (OTCQX®: TRVR), holding company for Two Rivers Bank & Trust (TRBT), reports third quarter 2024 financial results. Net income for the first three quarters of 2024 was \$6,224,107, or \$2.95 per share, compared to \$5,948,407, or \$2.83 per share, for the first three quarters of 2023.

Earnings continue to be strained by net interest margin compression. The Iowa Division of Banking published an article in July 2024 reporting that while the net interest margin across the industry has increased steadily since 2021, the net interest margin among Iowa banks has not increased since the end of 2019. This September, the Federal Open Market Committee (FOMC) announced their commitment to support maximum employment and managing inflation to its 2% objective by reducing the target range for the federal funds rate by 50 basis points. With the reduction to interest rates, TRFG's leadership continues to be focused on maintaining loan yields, while balancing customers' expectations for deposit pricing with the Bank's overall funding needs.

Despite the net interest income challenges this year, TRFG has found success in improving non-interest income and operating expense management. TRBT's wealth management department has improved revenues 10% year over year with assets under management up 19.9%. Mortgage activity has also increased as the recent lower interest rates created greater opportunities for buyers in our local markets, ultimately increasing fee income.

TRFG's book value on September 30, 2024 was \$51.00 compared to \$43.73 on September 30, 2023. Although the Bank's unrealized loss position on its securities portfolio continues to negatively impact book value, the market value of the bank's available for sale securities has improved 17% since year-end. Tangible book value on September 30, 2024 was \$38.34 compared to \$30.36 on September 30, 2023, an increase of 26.3%.

The Company is committed to investing in its people. During the third quarter, 100% of the Company's employees participated in and completed a new customer service training series, giving all team members the tools and responsibility to best serve TRFG's customers. Additionally, on October 14, 2024, the annual TRFG all-team member training, titled "Individually Unique, Together Complete," was conducted with 100% team member engagement and participation.

In closing, the Company's capital, liquidity, and credit quality remain strong. Leadership continues to emphasize the importance of building customer relationships, enhancing customer service and solutions and, most importantly, improving earnings.

Respectively,

A handwritten signature in black ink, appearing to read "Frank J. Delaney", with a stylized flourish at the end.

Frank J. Delaney
TRFG Chair & Interim CEO

TWO RIVERS FINANCIAL GROUP, INC.
CONSOLIDATED BALANCE SHEETS (unaudited)

IN THOUSANDS, EXCEPT FOR SHARE DATA

	Sep 30, 2024	Sep 30, 2023	Dec 31, 2023
ASSETS			
CASH AND DUE FROM BANKS	\$24,871	\$25,108	\$20,741
FEDERAL FUNDS SOLD	\$51	\$406	\$0
INVESTMENT SECURITIES	\$158,822	\$194,416	\$192,160
LOANS BEFORE ALLOWANCE FOR LOAN LOSSES	\$936,571	\$915,923	\$929,106
ALLOWANCE FOR LOAN LOSSES	(\$12,333)	(\$11,778)	(\$12,041)
GOODWILL AND OTHER INTANGIBLES	\$26,662	\$28,129	\$27,762
OTHER ASSETS	\$38,413	\$45,788	\$40,539
TOTAL ASSETS	\$1,173,057	\$1,197,992	\$1,198,267
LIABILITIES AND STOCKHOLDERS' EQUITY			
DEPOSITS	\$1,010,160	\$1,021,453	\$1,021,702
FEDERAL FUNDS PURCHASED	\$0	\$0	\$0
BORROWINGS	\$41,862	\$69,805	\$64,995
JUNIOR SUBORDINATED DEBENTURES	\$10,310	\$10,310	\$10,310
OTHER LIABILITIES	\$3,253	\$4,390	\$2,849
TOTAL LIABILITIES	\$1,065,585	\$1,105,958	\$1,099,856
STOCKHOLDERS' EQUITY	\$107,472	\$92,034	\$98,411
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$1,173,057	\$1,197,992	\$1,198,267
BOOK VALUE	\$51.00	\$43.73	\$46.70
BOOK VALUE NET OF OTHER COMPREHENSIVE INCOME	\$57.21	\$54.52	\$54.20
TANGIBLE BOOK VALUE	\$38.34	\$30.36	\$33.52

TWO RIVERS FINANCIAL GROUP, INC.
CONSOLIDATED STATEMENTS OF INCOME (unaudited)

IN THOUSANDS, EXCEPT FOR SHARE DATA

	2024 Q3 YTD	2023 Q3 YTD	2023
INTEREST INCOME	\$39,896	\$36,972	\$49,662
INTEREST EXPENSE	\$17,497	\$12,053	\$17,434
NET INTEREST INCOME	\$22,399	\$24,919	\$32,228
PROVISION FOR LOAN LOSSES	(\$169)	\$740	\$796
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$22,568	\$24,179	\$31,432
NON-INTEREST INCOME	\$8,655	\$7,842	\$10,595
OPERATING EXPENSES	\$22,831	\$24,478	\$33,129
INCOME TAXES	\$2,168	\$1,595	\$1,809
NET INCOME	\$6,224	\$5,948	\$7,089
EARNINGS PER SHARE	\$2.95	\$2.83	\$3.37
CASH DIVIDENDS DECLARED PER COMMON SHARE	\$0.00	\$0.00	\$0.68

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.