



April 30, 2020

Dear Shareholder,

Your bank generated \$1,124,000 in Net Income after taxes in 1Q 2020. While this performance does not represent a record quarter for Trinity Bank, we are pleased with the results. Our team is stronger than ever and has demonstrated they are prepared to take on the many challenges we have been presented with thus far in 2020 as well as what we may very well face throughout the remainder of the year.

We, like all banks, are never without our fair share of challenges and 2020 is proving to be no different. Last year, we discussed with you the “Perfect Storm” we were experiencing and what we were doing to persevere. Several elements of that storm have intensified and new elements have been added.

COVID-19

The outbreak of COVID-19 has impacted the lives of not only all Americans but everyone, worldwide. For us, being a single location bank has many benefits but also some risks. Because we operate in a single location, we had to be proactive and early in our response to the virus. We made the decision to close our bank lobby to customer traffic on March 19th, several weeks before many other banks altered their operations. We also established a staffing plan to ensure Trinity Bank would be in a position to continue providing the exceptional customer experiences our customers have come to rely on. Several of our staff have been working from home while others have been placed on a rotation schedule. Our advanced online, treasury and mobile capabilities as well as our drive-thru have made it possible for our customers to continue transacting business without skipping a beat.

Lower Rates

The potential for lower rates was one element we discussed last year and since that time our concerns have become reality. The Federal Reserve has now completed five rate reductions since August of 2019. During that time, we have seen Wall Street Journal Prime (the index preferred by most banks when pricing floating rate loans) drop from 5.50% to 3.25%. The largest of the reductions (4.75% to 3.25%) came in two moves, over a twelve day period in March. These rate reductions impact the bank’s loan income as well as the income we earn on our overnight money deposited at the Federal Reserve each night. However, your bank is prepared to weather this low rate environment. We continue to maintain a strong capital position, profitability in excess of our peer group and significant liquidity.

In addition to rate pressure, recently, we have experienced excessive (bordering on irrational) competition in the pricing of loans and deposits. However, we remain committed to a disciplined approach of building relationships with quality people that meet our bank's strategic objectives.

End of Economic Cycle

Last year marked the longest economic expansionary period in history. At that time, we expressed concern that it could be coming to an end sometime in the near future, despite the government's stimulus and monetary policy aimed at circumventing the historical business cycle. We now find ourselves in a very tumultuous economic environment as the world deals with COVID-19. Whether or not the economy will be capable of a quick recovery once we get past this pandemic remains to be seen.

When the economy does recover (timing unknown), we are prepared to capitalize on opportunities for continued growth. Many of our customers had a banner year in 2019 but if we enter a recession, we could have some customers that struggle. We are prepared and remain committed to working good people through tough times. We currently have 1.35% of total loans in the loan loss reserve which exceeds both our peer group and the national average. We will continue to monitor the loan loss reserve throughout the year and make additional contributions as necessary. Also, we expect to gain new business from banks that have continued to operate at very high loan to deposit ratios with little liquidity.

Now, we want to update you on a couple of bright spots we see.

Growth

While we continue to operate in a very competitive market, we are encouraged by the above-average growth generated during the first quarter of 2020.

	<u>1Q 2020</u>	<u>1Q 2019</u>	<u>Growth (%)</u>
<u>Average Loans</u>	\$169,367,000	\$152,227,000	11.26%
<u>Average Deposits</u>	\$250,677,000	\$216,220,000	15.94%
<u>Average Overnight Money</u>	\$38,126,000	\$12,728,000	199.54%

This growth was sourced from a combination of existing customers and prospects we have been diligently working to win.

Paycheck Protection Plan ("PPP") Loan Program

The Treasury Department of the United States in conjunction with the Small Business Administration recently introduced the Paycheck Protection Plan (PPP) loan program to combat widespread unemployment. Our operations team quickly went to work evaluating the program and the process that would be necessary to meet the demand for these loans as well as

continue to run the day-to-day operations of the bank. This was a major undertaking but we were able to develop a plan and process to meet our existing customer's requests for PPP loans before the initial \$349 billion was exhausted. We were also able take on some new customers who were struggling to get their loan requests processed by their existing bank and are continuing to solicit new relationships.

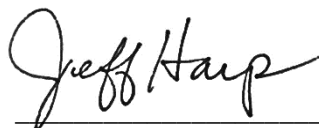
Our team has done a tremendous job! Some have been working around the clock (15+ hours per day), for several weeks now, to make the PPP loan program a tremendous success for Trinity bank. Others have been working tirelessly to make sure all of day-to-day operations and needs of our customers are met. To date, we have processed approximately \$50,000,000 in PPP loan requests. These loans will generate fees that will assist us in working through the low rate environment we discussed previously.

These are some of the most challenging times we have seen, but we are pleased with the position of the bank today. The second and third quarter will be exciting as we work through the forgiveness phase of the PPP loan program. This will require the same dedicated Trinity team effort that we have enjoyed from our employees since inception.


In closing, we have a lot to be thankful for and proud of. This year is sure to be unlike any other we have experienced thus far but your bank remains ready and able to respond to the opportunities and challenges before us. As always, thank you for your support of and investment in Trinity Bank. If you have any questions or if you have any topics you would like us to discuss, please contact one of the members of our executive management team.

As an aside, due to the COVID-19 outbreak, we have elected to postpone our annual meeting of the shareholders. The meeting will be held on July 28, 2020. We will be sending out proxy materials soon so please be on the lookout for those. As always, we struggle to attain the 67% required to approve actions and recommendation of the Board of Directors so please be sure to return your proxy statement upon receipt.

Sincerely,



Jeffrey M. Harp, Chairman of the Board



Richard A. Burt, COO



Barney C. Wiley, President



Matt R. Opitz, CEO

For Immediate Release

**TRINITY BANK REPORTS:
RETURN ON ASSETS 1.55%
RETURN ON EQUITY 12.36%
TIER 1 LEVERAGE RATIO 12.44%**

FORT WORTH, Texas, April 28, 2020 - Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced operating results for the three months ending March 31, 2020.

Results of Operations

Trinity Bank, N.A. reported Net Income after Taxes of \$1,124,000 or \$.99 per diluted common share for the first quarter of 2020, compared to \$1,202,000 or \$1.08 per diluted common share for the first quarter of 2019, a decrease of 8.3%.

Matt R. Opitz, Chief Executive Officer, stated, “While this performance does not represent a record quarter for Trinity Bank, we are pleased with the results, given the current upheaval in the economy. Despite the challenges presented by the low rate environment and COVID-19 outbreak, we have been able to generate meaningful growth. I am proud of our team of dedicated employees who have been working tirelessly to ensure the day-to-day needs of our customers are met during this difficult time. Additionally, we are fortunate to have such a strong operations staff that was able to develop a streamlined process to provide loans related to the government’s Paycheck Protection Plan loan program. We have been able to assist not only our existing customers, but also some new customers who were having difficulty securing a PPP loan through their banks. This has been a great success for Trinity Bank.”

Mr. Opitz further stated, “These are some of the most challenging times we have seen, but we are pleased with the position of the bank today. As we make our way through 2020, we will remain focused on providing exceptional experiences to our customers and looking for ways to continue growing relationships with good people who need a good local bank that can help them navigate these uncertain times.”

<u>Profitability</u>	<u>3/31/2020</u>	<u>3/31/2019</u>	
Return on Assets	1.55%	1.91%	
Return on Equity	12.36%	13.90%	
<u>Average for Quarter Ending</u>			<u>%</u>
(in 000’s)			
Loans	\$169,367	\$152,227	11.3
Deposits	\$250,677	\$216,220	15.9

<u>Actual for Quarter Ending</u> (in 000's)	<u>3/31/2020</u>	<u>3/31/2019</u>	<u>%</u>
Net Interest Income	\$2,541	\$2,420	5.0
Non-Interest Income	128	123	4.1
Non-Interest Expense	(1,370)	(1,129)	21.3
Pretax Pre-provision Income	\$1,299	\$1,414	(8.1)
Gain on Sale of Securities and Assets	0	(2)	N/M
Loan Loss Provision	0	(30)	N/M
Pre Tax Income	1,299	1,382	(6.0)
Income Tax	175	180	N/M
Net Income	\$1,124	\$1,202	(6.5)
Diluted Weighted Average Shares	1,135	1,118	
Earnings per Share	\$.99	\$1.08	(8.3)

Trinity Bank, N.A. is a commercial bank that began operations May 28, 2003. For a full financial statement, visit Trinity Bank's website: www.trinitybk.com Regulatory reporting format is also available at www.fdic.gov.

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For information contact:

Richard Burt
Executive Vice President
Trinity Bank
817-763-9966

This Press Release may contain certain forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 regarding future financial conditions, results of operations and the Bank's business operations. Such forward-looking statements involve risks, uncertainties and assumptions, including, but not limited to, monetary policy and general economic conditions in Texas and the greater Dallas-Fort Worth metropolitan area, the risks of changes in interest rates on the level and composition of deposits, loan demand and the values of loan collateral, securities and interest rate protection agreements, the actions of competitors and customers, the success of the Bank in implementing its strategic plan, the failure of the assumptions underlying the reserves for loan losses and the estimations of values of collateral and various financial assets and liabilities, that the costs of technological changes are more difficult or expensive than anticipated, the effects of regulatory restrictions imposed on banks generally, any changes in fiscal, monetary or regulatory policies and other uncertainties as discussed in the Bank's Registration Statement on Form SB-1 filed with the Office of the Comptroller of the Currency. Should one or more of these risks or uncertainties materialize, or should these underlying assumptions prove incorrect, actual outcomes may vary materially from outcomes expected or anticipated by the Bank. A forward-looking statement may include a statement of the assumptions or bases underlying the forward-looking statement. The Bank believes it has chosen these assumptions or bases in good faith and that they are reasonable. However, the Bank cautions you that assumptions or bases almost always vary from actual results, and the differences between assumptions or bases and actual results can be material. The Bank undertakes no obligation to publicly update or otherwise revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless the securities laws require the Bank to do so.

TRINITY BANK N.A.
(Unaudited)
(Dollars in thousands, except per share data)

EARNINGS SUMMARY	Quarter Ended		% Change
	2020	2019	
	March 31		
Interest income	\$2,922	\$2,814	3.8%
Interest expense	381	394	-3.3%
Net Interest Income	2,541	2,420	5.0%
Service charges on deposits	50	40	25.0%
Other income	78	83	-6.0%
Total Non Interest Income	128	123	4.1%
Salaries and benefits expense	856	763	12.2%
Occupancy and equipment expense	114	107	6.5%
Other expense	400	259	54.4%
Total Non Interest Expense	1,370	1,129	21.3%
Pretax pre-provision income	1,299	1,414	-8.1%
Gain on sale of securities	0	(2)	N/M
Gain on sale of foreclosed assets	0	0	N/M
Gain on sale of assets	0	0	N/M
Provision for Loan Losses	0	30	N/M
Earnings before income taxes	1,299	1,382	-6.0%
Provision for income taxes	175	180	N/M
Net Earnings	\$1,124	\$1,202	-6.5%
Basic earnings per share	1.03	1.09	-2.8%
Basic weighted average shares outstanding	1,088	1,099	
Diluted earnings per share - estimate	0.99	1.08	-8.3%
Diluted weighted average shares outstanding	1,135	1,118	

BALANCE SHEET SUMMARY	Average for Quarter		% Change
	2020	2019	
	March 31		
Total loans	\$169,367	\$152,227	11.3%
Total short term investments	38,126	12,728	199.5%
Total investment securities	74,406	79,278	-6.1%
Earning assets	281,899	244,233	15.4%
Total assets	289,795	251,901	15.0%
Noninterest bearing deposits	89,277	73,881	20.8%
Interest bearing deposits	161,400	142,339	13.4%
Total deposits	250,677	216,220	15.9%
Fed Funds Purchased and Repurchase Agreements	0	1,187	N/M
Shareholders' equity	\$36,379	\$33,940	7.2%

TRINITY BANK N.A.
(Unaudited)
(Dollars in thousands, except per share data)

BALANCE SHEET SUMMARY	Average for Quarter Ending				March 31, 2019
	March 31, 2020	Dec 31, 2019	Sept. 30, 2019	June 30, 2019	
Total loans	\$169,367	\$154,764	\$156,304	\$156,571	\$152,227
Total short term investments	38,126	69,110	35,991	26,034	12,728
Total investment securities	74,406	70,508	72,212	74,627	79,278
Earning assets	281,899	294,382	264,507	257,232	244,233
Total assets	289,795	301,596	272,245	264,826	251,901
Noninterest bearing deposits	89,277	101,932	82,822	73,665	73,881
Interest bearing deposits	161,400	168,784	152,296	154,918	142,339
Total deposits	250,677	270,716	235,118	228,583	216,220
Fed Funds Purchased and Repurchase Agreements	0	0	0	0	1,187
Shareholders' equity	\$36,379	\$35,382	\$36,081	\$35,301	\$33,940
HISTORICAL EARNINGS SUMMARY	Quarter Ended				March 31, 2019
	March 31, 2020	Dec 31, 2019	Sept. 30, 2019	June 30, 2019	
Interest income	\$2,922	\$2,996	\$3,025	\$2,977	\$2,814
Interest expense	381	490	493	475	394
Net Interest Income	2,541	2,506	2,532	2,502	2,420
Service charges on deposits	50	48	36	42	40
Other income	78	79	104	80	83
Total Non Interest Income	128	127	140	122	123
Salaries and benefits expense	856	740	813	788	763
Occupancy and equipment expense	114	93	120	116	107
Other expense	400	370	299	375	259
Total Non Interest Expense	1,370	1,203	1,232	1,279	1,129
Pretax pre-provision income	1,299	1,430	1,440	1,345	1,414
Gain on sale of securities	0	0	12	1	(2)
Gain on sale of foreclosed assets	0	0	0	0	0
Gain on sale of other assets	0	0	0	0	0
Provision for Loan Losses	0	0	0	1,000	30
Earnings before income taxes	1,299	1,430	1,452	346	1,382
Provision for income taxes	175	210	206	(28)	180
Net Earnings	\$1,124	\$1,220	\$1,246	\$374	\$1,202
Diluted earnings per share	\$ 0.99	\$ 1.12	\$ 1.08	\$ 0.33	\$ 1.08

TRINITY BANK N.A.
(Unaudited)
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HISTORICAL BALANCE SHEET	Ending Balance				
	March 31, 2020	Dec 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Total loans	\$173,992	\$167,587	\$157,475	\$156,014	\$160,028
Total short term investments	37,566	60,603	56,328	19,321	14,160
Total investment securities	73,287	70,804	71,394	72,014	75,906
Total earning assets	284,845	298,994	285,197	247,349	250,094
Allowance for loan losses	(2,269)	(2,262)	(2,259)	(2,224)	(1,703)
Premises and equipment	2,522	2,560	2,544	2,580	2,613
Other Assets	6,567	9,770	9,513	8,040	5,506
Total assets	291,665	309,062	294,995	255,745	256,510
Noninterest bearing deposits	89,581	100,527	97,519	76,168	69,934
Interest bearing deposits	162,726	170,191	159,712	143,710	150,895
Total deposits	252,307	270,718	257,231	219,878	220,829
Fed Funds Purchased and Repurchase Agreements	0	0	0	0	0
Other Liabilities	1,779	1,047	1,830	614	1,158
Total liabilities	254,086	271,765	259,061	220,492	221,987
Shareholders' Equity Actual	36,069	35,858	34,920	34,572	34,522
Unrealized Gain - AFS	1,510	1,439	1,014	681	1
Total Equity	\$37,579	\$37,297	\$35,934	\$35,253	\$34,523

NONPERFORMING ASSETS	Quarter Ending				
	March 31, 2020	Dec 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Nonaccrual loans	\$408	\$419	\$432	\$446	\$952
Restructured loans	\$0	\$0	\$0	\$0	\$0
Other real estate & foreclosed assets	\$320	\$320	\$320	\$320	\$0
Accruing loans past due 90 days or more	\$0	\$0	\$0	\$0	\$0
Total nonperforming assets	\$728	\$739	\$752	\$766	\$952
Accruing loans past due 30-89 days	\$248	\$0	\$0	\$0	\$477
Total nonperforming assets as a percentage of loans and foreclosed assets	0.42%	0.44%	0.45%	0.49%	0.59%

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(Unaudited)
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ALLOWANCE FOR LOAN LOSSES	Quarter Ending				
	March 31, 2020	Dec 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Balance at beginning of period	\$2,262	\$2,259	\$2,224	\$1,703	\$1,671
Loans charged off	0	0	0	498	0
Loan recoveries	7	3	35	19	2
Net (charge-offs) recoveries	7	3	35	(479)	2
Provision for loan losses	0	0	0	1,000	30
Balance at end of period	\$2,269	\$2,262	\$2,259	\$2,224	\$1,703
Allowance for loan losses as a percentage of total loans	1.30%	1.35%	1.43%	1.43%	1.06%
Allowance for loan losses as a percentage of nonperforming assets	312%	306%	300%	290%	179%
Net charge-offs (recoveries) as a percentage of average loans	-0.01%	0.00%	-0.02%	0.31%	-0.01%
Provision for loan losses as a percentage of average loans	0.00%	0.00%	0.00%	0.64%	0.02%

SELECTED RATIOS	Quarter Ending				
	March 31, 2020	Dec 31, 2019	Sept. 30, 2019	June 30, 2019	March 31, 2019
Return on average assets (annualized)	1.55%	1.62%	1.83%	0.56%	1.91%
Return on average equity (annualized)	11.80%	13.34%	13.81%	4.24%	14.17%
Return on average equity (excluding unrealized gain on investments)	12.36%	13.79%	14.21%	4.27%	13.90%
Average shareholders' equity to average assets	12.55%	11.73%	13.25%	13.33%	13.47%
Yield on earning assets (tax equivalent)	4.33%	4.67%	4.79%	4.85%	4.86%
Effective Cost of Funds	0.54%	0.70%	0.75%	0.74%	0.64%
Net interest margin (tax equivalent)	3.79%	3.97%	4.04%	4.11%	4.22%
Efficiency ratio (tax equivalent)	48.9%	43.4%	43.8%	46.2%	41.9%
End of period book value per common share	\$34.54	\$34.22	\$32.85	\$32.14	\$31.44
End of period book value (excluding unrealized gain on investments)	\$33.15	\$32.90	\$31.92	\$31.52	\$31.44
End of period common shares outstanding (in 000's)	1,088	1,090	1,094	1,097	1,098

TRINITY BANK N.A.
(Unaudited)
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YIELD ANALYSIS	3 Months Ending							
	March 31, 2020				March 31, 2019			
	Average Balance	Interest	Yield	Tax Equivalent Yield	Average Balance	Interest	Yield	Tax Equivalent Yield
Interest Earning Assets:								
Short term investment	\$ 38,126	122	1.28%	1.28%	\$ 12,350	76	2.46%	2.46%
FRB Stock	390	6	6.00%	6.00%	378	6	6.00%	6.00%
Taxable securities	2,033	8	1.57%	1.57%	911	5	2.20%	2.20%
Tax Free securities	72,373	510	2.82%	3.57%	78,367	579	2.96%	3.74%
Loans	169,273	2,275	5.38%	5.38%	152,227	2,148	5.64%	5.64%
Total Interest Earning Assets	282,195	2,921	4.14%	4.33%	244,233	2,814	4.61%	4.86%
Noninterest Earning Assets:								
Cash and due from banks	5,071				4,904			
Other assets	4,795				4,447			
Allowance for loan losses	(2,266)				(1,683)			
Total Noninterest Earning Assets	7,600				7,668			
Total Assets	\$289,795				\$251,901			
Interest Bearing Liabilities:								
Transaction and Money Market accounts	120,731	201	0.67%	0.67%	115,560	261	0.90%	0.90%
Certificates and other time deposits	40,669	179	1.76%	1.76%	26,779	124	1.85%	1.85%
Other borrowings	0	0	0.00%	0.00%	1,187	9	3.03%	3.03%
Total Interest Bearing Liabilities	161,400	380	0.94%	0.94%	143,526	394	1.10%	1.10%
Noninterest Bearing Liabilities:								
Demand deposits	89,277				73,881			
Other liabilities	1,027				554			
Shareholders' Equity	38,091				33,940			
Total Liabilities and Shareholders Equity	\$289,795				\$251,901			
Net Interest Income and Spread		2,541	3.20%	3.39%		2,420	3.51%	3.76%
Net Interest Margin			3.60%	3.79%			3.96%	4.22%

TRINITY BANK N.A.
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	March 31 2020	%	March 31 2019	%
LOAN PORTFOLIO				
Commercial and industrial	\$100,403	57.66%	\$92,873	58.04%
Real estate:				
Commercial	26,930	15.47%	24,424	15.26%
Residential	23,285	13.37%	16,895	10.56%
Construction and development	22,934	13.17%	25,215	15.76%
Consumer	583	0.33%	621	0.39%
Total loans (gross)	174,135	100.00%	160,028	100.00%
Unearned discounts	0	0.00%	0	0.00%
Total loans (net)	\$174,135	100.00%	\$160,028	100.00%
	March 31 2020		March 31 2019	
REGULATORY CAPITAL DATA				
Tier 1 Capital	\$36,069		\$34,522	
Total Capital (Tier 1 + Tier 2)	\$38,338		\$36,225	
Total Risk-Adjusted Assets	\$187,527		\$174,228	
Tier 1 Risk-Based Capital Ratio	19.23%		19.81%	
Total Risk-Based Capital Ratio	20.44%		20.79%	
Tier 1 Leverage Ratio	12.44%		13.70%	
OTHER DATA				
Full Time Equivalent Employees (FTE's)	23		21	
Stock Price Range (For the Three Months Ended):				
High	\$65.00		\$65.50	
Low	\$57.50		\$65.50	
Close	\$59.19		\$65.50	