



October 30, 2017

Dear Shareholder

I am pleased to announce the third quarter results. Net income of \$1,053,000 represents the second best quarter since inception – only the fourth quarter of 2016 was better. The Press Release is attached and the Financial Summary is available at <https://www.trinitybk.com/about-us/investor-information> .

PERFORMANCE

Your bank is performing at a high level. One of the investment firms that follows Trinity Bank stock recently (June 30, 2017) announced their top 50 publically traded community banks in a “Select Universe”. We are proud that Trinity was included in this exclusive group. Listed below are some comparisons of Trinity Bank to the average of this select group.

	Return on <u>Assets</u>	Return on <u>Equity</u>	Stock Price to <u>Earnings</u>	Stock Price to <u>Book Value</u>	Efficiency <u>Ratio</u>
Trinity	1.66%	13.5%	19.7x	218%	39.80%
Average	.92%	10.2%	16.8x	147%	64.10%

The staff of Trinity Bank has performed well. The local economy is in relatively good shape. There is economic activity. As an example of the attractiveness of the North Texas regional economy, two banks recently announced plans to establish branches in Fort Worth (within two miles of our location). One is Vista Bank, headquartered in Ralls, Texas. The other is BTH Bank, headquartered in Quitman, Texas. I had to go to a map to find both cities. Everyone wants in this market. Trinity Bank should be performing well in a market with good activity.

DEPOSITS

Deposit growth has been a pleasant surprise year to date – up 17% from third quarter 2017. Deposits are a liability on the bank’s balance sheet. However, “core” deposits are an asset from a shareholder value standpoint. Trinity is fortunate to have “relationship based” customers. We provide competitive rates and seek to provide outstanding customer service. As an example, we recently underwent a major technology upgrade. I hope you have noticed the change in our website. No one likes change. It is uncomfortable and requires the customers to change their routine. Richard Burt, Bobby Evartt, and the operations group did an outstanding job on the conversion. They physically went out to our major customers and walked them through the new format. In addition, the entire operations staff was thoroughly trained on the system and was able to assist our customers by phone. We even retained the

service of two retired employees to assist in the conversion and the communication of it to the user. All in all, it was a major upgrade, and the results were excellent.

Core deposits are the life and blood of a community bank. Deposits are the raw material of our profitability machine. Trinity Bank does not accept “brokered deposits” or deposits based on the highest rate. Those deposits tend to migrate to the best rate and some institution is always willing to pay more. Money is important to everyone. We attempt to attract individuals and businesses that desire:

1. good products,
2. competitive rates, and
3. good service from someone that knows my name, appreciates my business (large or small), and can help me with what I need to do.

LOANS

As good as the deposit growth has been, loan growth still presents a challenge. Total loans are up 8.7% over third quarter 2016, but we seem to be stuck at the \$130,000,000 level. It is not for a lack of effort. It is due to a lack of bodies. Late last year, we added Ed Deegan to our staff. He is learning and recently landed his first seven figure loan relationship. We also added another loan officer, Colin Lackey, in early September. In addition to these young men, most of our customers know Kris Nordyke – Barney Wiley’s lending assistant and another employee that has been with us since inception. Kris is also going through the credit training process with the goal of assuming more responsibility for loan decisions and developing customer relationships.

It takes time (and most of you know how patient I am) but we are making progress. While developing our credit training program, we also continue to solicit experienced lenders. Barney Wiley, who has an outstanding record of performance, is constantly identifying and attempting to attract more experienced lenders. We hope to have some good news soon.

STOCK PRICE

I have heard from shareholders about the stock price for Trinity. More specifically, several shareholders asked if our stock was trading at \$60 or \$47.50. I, like many of you, have some stock prices on my phone (mine is an Iphone). The feed to my stock icon is from Yahoo Finance. It started showing the last stock trade at \$47.50 in September. After contacting Yahoo, they admitted that they had “lost” our stock trading activity from May 18, 2016 – there was a transaction on that day of \$47.50. Yahoo assured us that they would correct what they were reporting. It doesn’t seem to be a high priority for them because it still pops up on my phone from time to time. The best place I have found to check the current price is otcmarkets.com. Enter our symbol (TYBT) in the “get quote” box and you should see the last trade and the current bid ask. We had several small trades Friday, October 20 at \$59.84.

STAFF PROMOTIONS

I want to brag on our staff. Maybe brag is the wrong word. The old saying is, “It isn’t bragging if you can do it”. Well we are blessed with staff members that can “do it”. Since our last shareholder communication, we have had four promotions. Bobby Evertt has been promoted to Senior Vice

President, Lori Brantley and Dana Key Allred were promoted to Vice President and Brenda O'Keefe was promoted to Lobby Services manager.

Bobby Evartt joined Trinity Bank as Vice President over IT in March of 2016 with over twenty five years of banking experience. In 2017 Bobby assumed the Compliance Officers responsibility and project management. Bobby has coordinated several new technology improvements being delivered in 2017.

Lori Brantley joined Trinity Bank as Assistant Vice President in early 2016 as loan department manager with over 20 years experience. Lori has excelled in her responsibilities and continues to improve both performance and efficiency in the loan area.

Dana Key Allred joined Trinity in January 2011. She has served as Assistant Vice President, Corporate Secretary and Secretary to the Board of Directors. In 2015, Dana assumed additional responsibilities for Human Resources and has enhanced employee relations and training as well as payroll and benefits administration.

Brenda O'Keefe is Assistant Vice President and has assumed the responsibility for all Lobby Services and Customer Service. Brenda has over thirty years experience in banking and has been part of the Trinity team for six years.

Please join me in congratulating these people for the recognition of a job well done.

THANKSGIVING

It is Thanksgiving season – my favorite time of year. I have so much to be thankful for, and I hope you feel the same way. I can look back on my life and see many good things along with a few not so good. But I am always amazed at how the God that loves all of us has carried me through the not so good things and has transformed them into things that I can be thankful for. Please consider doing something this Thanksgiving season for someone less fortunate than you. My experience has always been that I receive far more than I give.

Thank you for your interest in and your support of Trinity Bank. Please let me know if you have any topics you would like for our staff to address.

Sincerely,

A handwritten signature in cursive script that reads "Jeff Harp". The signature is written in black ink and is positioned above a horizontal line.

Jeffrey M. Harp

For Immediate Release

TRINITY BANK REPORTS 2017 3RD QUARTER NET INCOME OF \$1,053,000

3RD QUARTER RETURN ON ASSETS 1.66%

3RD QUARTER RETURN ON EQUITY 13.90%

FORT WORTH, Texas, October 26, 2017 – Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced operating results for the third quarter and the nine months ending September 30, 2017.

Results of Operation

For the third quarter 2017, Trinity Bank, N.A. reported Net Income after Taxes of \$1,053,000, an increase of 3.3% over third quarter 2016 earnings of \$1,019,000. Earnings per diluted common share for the third quarter 2017 amounted to \$0.94, an increase of 3.2% over third quarter 2016 results of \$0.91 per diluted common share.

For the first nine months of 2017, Net Income after Taxes was \$2,426,000, a decrease of 17.4% over the first nine months of 2016 results of \$2,937,000. Earnings per diluted common share for the first nine months of 2017 were \$2.16, a decrease of 16.9% over the first nine months of 2016 results of \$2.60 per diluted common share.

President Jeffrey M. Harp stated, “Third quarter Net Income of \$1,053,000 represents our second best quarterly performance since inception. Total Earning Assets increased 14.6% over the 3rd quarter of 2016. This increase was driven by 17.2% increase in Total Deposits. We are fortunate to operate in a market with economic activity. Trinity continues to be very efficient and comparative results for the third quarter are favorable as shown below.”

	<u>Trinity</u>	<u>Peer</u>
Return on Assets	1.66%	1.03%
Return on Equity	13.90%	9.55%

“On October 31, 2017, Trinity will pay it’s twelfth semi-annual dividend since inception in April 2012. Dividend record is shown below.”

2012	\$.45	plus \$1.00 special
2013	\$.53	
2014	\$.65	
2015	\$.80	
2016	\$.90	
2017	\$1.00	

Page 2 – Trinity Bank third quarter 2017 earnings

Actual for Quarter

(in 000's)	3 Months	3 Months	<u>%</u>
	<u>09/30/2017</u>	<u>09/30/2016</u>	
Net Interest Income	\$ 2,170	\$ 1874	15.8%
Non-Interest Income	129	153	(15.7%)
Non-Interest Expense	(906)	(816)	11.0%
Pretax Preprovision Income	1,393	1,211	15.0%
Gains on Sale of Securities and Other Assets	0	91	N/M
Loan Loss Provision	(60)	-	N/M
Pretax Income	1,333	1,302	2.4%
Income Tax	(280)	(283)	(1.1%)
Net Income	\$ 1,053	\$ 1019	3.3%
Diluted Weighted Average Shares	1,121	1,120	
Earnings Per Share	.94	.91	3.2%

Actual for 9 months

(in 000's)	9 Months	9 Months	<u>%</u>
	<u>09/30/2017</u>	<u>09/30/2016</u>	
Net Interest Income	\$ 6,270	\$ 5,674	10.5%
Non-Interest Income	388	422	(8.1%)
Non-Interest Expense	(2,673)	(2,566)	4.2%
Pretax Preprovision Income	3,985	3,530	12.9%
Gains on Sale of Securities and Other Assets	3	225	N/M
Gains on Sale of Foreclosed Assets	-	0	N/M
Loan Loss Provision	(1,120)	-	N/M
Pretax Income	2,868	3,755	(23.6%)
Income Tax	(442)	(818)	(46.0%)
Net Income	\$ 2,426	\$ 2,937	(17.4%)
Diluted Weighted Average Shares	1,122	1,129	
Earnings Per Share	2.16	2.60	(16.9%)

Page 3 – Trinity Bank third quarter 2017 earnings

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.

###

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.