



JEFFREY M. HARP
President
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May 16, 2014

Dear Shareholders

2014's first quarter was a good one for Trinity Bank. Net Income was up 12.7% and Earnings Per Share increased 13.3% over the first quarter of 2013. And the streak continues – 43 consecutive quarters of improved performance. The attached earnings release gives two comparisons of Trinity's performance versus all of the banks in the DFW Metroplex and all of the banks in Texas. We are proud of our record of sustained improvement. We are making every effort to generate a long-term increase in shareholder value.

The last several years have been difficult for all financial institutions. Listed below you will see our income results for the last five years compared to the previous year.

<u>Period</u>	<u>Net Income (in 000's)</u>	<u>% Increase Over Previous Year</u>
2009	\$1,636	
2010	\$2,005	22.5%
2011	\$2,282	13.8%
2012	\$2,581	13.1%
2013	\$2,862	10.9%
2014 Projected	\$3,210	12.2%

As you can see, we continue to be more profitable than the year before, but the rate of increase has dropped. Through the first quarter of 2014, we see a glimmer of hope that the declining trend will reverse.

What has happened? Several things have changed. Please allow me to discuss the main drivers of our performance.

Financial institution performance (and to a certain degree, all business performance) boils down to a few key factors. In banking, these primary factors involve four things:

1. Volume
2. Margin
3. Asset Quality
4. Efficiency

VOLUME

Trinity Bank's earning assets consist of loans, securities, and short-term investments (that we must keep for unusual loan demand and/or deposit withdrawals). Loans produce the highest return (and also have the most risk) followed by securities and then short-term funds.

Loan volume has improved as shown below.

(in 000's)	<u>Average Loans for Quarter Ending</u>		
	<u>3/31/2013</u>	<u>3/31/2014</u>	<u>% increase</u>
	\$88,373	\$104,737	18.50%

Part of the increase is due to new customers and part is due to more demand from existing customers. It helps tremendously to be in one of the best economic environments in the U.S.

MARGIN

Margin refers to the difference between what we pay for deposits and what we earn on our loans, securities, and short-term investments. I have duplicated below a portion of the chart from the Press Release (see page 7). A major influence on the margin is the ratio of loans (average yield of 5.01%) to securities (average yield of 3.23%) and short-term investments (average yield of .59%).

(in millions)	<u>3/31/2013</u>	<u>% of Total</u>	<u>3/31/2014</u>	<u>% of Total</u>
Interest Earning Assets				
Short-term	\$ 25.3	14%	\$ 10.1	6%
Securities	65.0	36%	60.9	35%
Loans	<u>88.4</u>	<u>50%</u>	<u>104.7</u>	<u>59%</u>
	\$ 178.7	100%	\$ 175.8	100%

The increase in the percentage of loans to earnings assets from 50% to 59% is the major contributor to the increase in Net Interest Margin as shown below.

	<u>3/31/2013</u>	<u>3/31/2014</u>
Net Interest Margin	3.41%	3.92%

ASSET QUALITY

We just finished our regularly scheduled examination by the Office of the Comptroller of the Currency (national bank examiners). By law we cannot disclose our rating, but I can assure you that you would be pleased. We only have two “classified” relationships – classified meaning some level of weakness. Thus, asset quality is in good shape.

EFFICIENCY

Efficiency refers to a ratio commonly used in banking that relates operating expense (everything except interest expense which is included in the margin) to income generated from earning assets. Your bank shines here. The median Efficiency Ratio for all 90 banks in the DFW Metroplex is 71%. Trinity’s Efficiency Ratio is 41%. To say it another way, the median bank takes \$.71 in expenses to generate \$1.00 of income. At Trinity, it only takes \$.41 in expenses to generate \$1.00 of income.

So there you have it. We remain optimistic that the economic environment is improving, albeit slowly. And we have passed the point where maturing securities are being reinvested at lower rates. This was especially a problem in 2012 and 2013 when approximately 25% of our securities matured in each of those years.

WHAT CAN GO WRONG?

I would be remiss if I didn’t discuss the potential downside. The first thing (and usually the largest contributor to reduced net income) is problem loans. I think we are in good shape. We had an outside loan review by a third party in late 2013 and we had the afore-mentioned OCC exam in March. But something can always happen that we don’t expect.

The second negative factor would be a rapid increase in interest rates. As you know the Federal Reserve has been forcing interest rates to artificially low levels since 2008. (As an aside, our national policy is to penalize savers by suppressing interest rates paid in order to reward borrowers with low cost loans and we wonder why we have a debt problem.) Equally knowledgeable people can look at the same facts and come up with opposite conclusions. And that is what we are seeing today more than any time I can remember. I am not an economist. But I am not in the camp that sees a rapid increase in interest rates. If inflation increases (the way the government calculates it – which I disagree with because I see inflation in the things I need and deflation in the things I want), the Federal Reserve will increase interest rates and probably send us into another recession. If economic activity continues to be moderate, then the downward pressure on inflation will continue.

That being said, our enormous national debt bothers me. At some point in time, I don’t care who you are, if you don’t show some signs of being able to repay debt (a surplus instead of a deficit), then the market will stop loaning you more money. The only thing I can do as President of your bank is try to make sure we don’t get killed whatever the level of interest rates. And that is the way we try to position Trinity Bank.

I think that our results are indicative that we have performed well in a difficult environment. We have seen moderate improvement, and we believe that Trinity Bank is well-positioned and the future is bright. The original shareholders gave us our initial investment of \$11,030,070 in May 2003. With the dividend we paid on April 30, 2014, we have returned \$2,517,819 in dividends – or 22.8% cash return on your original investment. The common stock that we sold at \$10.00 per share is now valued at \$38.00 based upon the last trade. We hope you are as pleased with the results as we are. We are prepared to take advantage of a slowly improving economic environment.

You will receive this letter shortly before our annual meeting which will be held on May 27 at Trinity Bank. You are welcome to join us. Thanks for your investment and your support.

Sincerely,

A handwritten signature in black ink that reads "Jeff Harp". The signature is written in a cursive style with a large, stylized "J" and "H".

Jeffrey M. Harp
President

For Immediate Release

**TRINITY BANK REPORTS:
2014 FIRST QUARTER NET INCOME UP 12.7%
FIFTH CASH DIVIDEND DECLARED**

FORT WORTH, Texas, April 28, 2014 - Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced operating results for the three months ending March 31, 2014.

Results of Operations

Trinity Bank, N.A. reported Net Income After Taxes of \$771,000 or \$.68 per diluted common share for the first quarter of 2014, compared to \$684,000 or \$.60 per diluted common share for the first quarter of 2013, an increase of 13.3%.

President Jeffrey M. Harp stated, “Net Income increased 12.7% over 1Q '13. An 18% increase in loan volume helped generate a 20% increase in Pretax Preprovision Income. We remain cautiously optimistic that the business environment in our market will continue to improve and enable us to maintain our history of improving results each quarter since inception.”

“I have reported many times that Trinity Bank’s performance compares favorably to peer groups. To support that statement, an investment banking firm recently rated Trinity 7th in profitability out of all banks in the DFW metroplex for 2013. Another investment firm rated Trinity 24th out of all 530 banks in Texas for 2013 in terms of overall performance (profitability, growth and efficiency).”

“As previously announced, Trinity will distribute its fifth cash dividend (\$.31 per share – an increase of 10.7% over the \$.28 per share dividend paid in October 2013) to shareholders on April 30, 2014.”

Profitability

3/31/2014

3/31/2013

Return on Assets

1.71%

1.48%

Return on Equity

13.95%

13.70%

Average for Quarter Ending

%

(in 000's)

Loans

\$104,737

\$ 88,373

18.5 %

Deposits

\$157,633

\$163,074

(3.3%)

Actual for Quarter Ending

(in 000's)	<u>3/31/2014</u>	<u>3/31/2013</u>	<u>%</u>
Net Interest Income	\$1,613	\$1,431	12.7%
Non-Interest Income	118	108	9.3%
Non-Interest Expense	(728)	(708)	2.8%
Pretax Preprovision Income	\$1,003	\$ 831	20.7%
Gain on Sale of Securities and Assets	\$ 129	\$ 278	N/M
Loan Loss Provision	(75)	(172)	N/M
Pre Tax Income	1,057	937	12.8%
Income Tax	(286)	(253)	13.0%
Net Income	\$ 771	\$ 684	12.7%
Diluted Weighted Average Shares	1,136	1,141	
Earnings per Share	\$0.68	\$0.60	13.3%

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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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
	March 31 2014	2013	
Interest income	\$1,709	\$1,537	11.2%
Interest expense	96	106	-9.4%
Net Interest Income	1,613	1,431	12.7%
Service charges on deposits	42	39	7.7%
Other income	76	69	10.1%
Total Non Interest Income	118	108	9.3%
Salaries and benefits expense	377	373	1.1%
Occupancy and equipment expense	72	81	-11.1%
Other expense	279	254	9.8%
Total Non Interest Expense	728	708	2.8%
Pretax pre-provision income	1,003	831	20.7%
Gain on sale of securities	105	226	-53.5%
Gain on sale of foreclosed assets	24	52	N/M
Provision for Loan Losses	75	172	-56.4%
Earnings before income taxes	1,057	937	12.8%
Provision for income taxes	286	253	13.0%
Net Earnings	\$771	\$684	12.7%
Basic earnings per share	0.69	0.61	13.1%
Basic weighted average shares outstanding	1,125	1,132	
Diluted earnings per share	0.68	0.60	13.3%
Diluted weighted average shares outstanding	1,136	1,141	

BALANCE SHEET SUMMARY	Average for Quarter		% Change
	March 31 2014	2013	
Total loans	\$104,737	\$88,373	18.5%
Total short term investments	10,122	25,315	-60.0%
Total investment securities	60,942	64,969	-6.2%
Earning assets	175,801	178,657	-1.6%
Total assets	180,487	185,352	-2.6%
Noninterest bearing deposits	42,918	36,699	16.9%
Interest bearing deposits	114,715	126,375	-9.2%
Total deposits	157,633	163,074	-3.3%
Fed Funds Purchased and Repurchase Agreements	442	545	-18.9%
Shareholders' equity	\$22,154	\$20,988	5.6%

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

BALANCE SHEET SUMMARY	March 31, 2014	Average for Quarter Ending			March 31, 2013
		Dec 31, 2013	Sept. 30, 2013	June 30, 2013	
Total loans	\$104,737	\$100,220	\$94,567	\$91,227	\$88,373
Total short term investments	10,122	12,966	14,693	15,843	25,315
Total investment securities	60,942	63,937	65,064	66,379	64,969
Earning assets	175,801	177,123	174,324	173,449	178,657
Total assets	180,487	181,884	179,452	179,392	185,352
Noninterest bearing deposits	42,918	43,454	42,308	38,087	36,699
Interest bearing deposits	114,715	116,510	116,055	119,269	126,375
Total deposits	157,633	159,964	158,363	157,356	163,074
Fed Funds Purchased and Repurchase Agreements	442	267	229	229	545
Shareholders' equity	\$22,154	\$21,301	\$20,548	\$21,281	\$20,988

HISTORICAL EARNINGS SUMMARY	March 31, 2014	Quarter Ended			March 31, 2013
		Dec 31, 2013	Sept. 30, 2013	June 30, 2013	
Interest income	\$1,709	\$1,677	\$1,616	\$1,583	\$1,537
Interest expense	96	100	98	100	106
Net Interest Income	1,613	1,577	1,518	1,483	1,431
Service charges on deposits	42	43	43	41	39
Other income	76	66	67	72	69
Total Non Interest Income	118	109	110	113	108
Salaries and benefits expense	377	478	385	365	373
Occupancy and equipment expense	72	73	75	77	81
Other expense	279	135	177	304	254
Total Non Interest Expense	728	686	637	746	708
Pretax pre-provision income	1,003	1,000	991	850	831
Gain on sale of securities	105	51	21	113	226
Gain on sale of foreclosed assets	24	0	0	0	52
Gain on sale of assets	0	18	0	0	0
Provision for Loan Losses	75	50	20	0	172
Earnings before income taxes	1,057	1,019	992	963	937
Provision for income taxes	286	263	271	263	253
Net Earnings	\$771	\$756	\$721	\$700	\$684
Diluted earnings per share	0.68	0.66	0.63	0.61	0.60

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

HISTORICAL BALANCE SHEET	Ending Balance				
	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
Total loans	\$103,762	\$109,505	\$93,934	\$94,432	\$87,926
Total short term investments	19,981	2,534	18,404	7,895	32,274
Total investment securities	59,669	63,495	63,966	67,506	62,908
Total earning assets	183,412	175,534	176,304	169,833	183,108
Allowance for loan losses	(1,396)	(1,321)	(1,271)	(1,249)	(1,245)
Premises and equipment	1,306	1,275	1,232	1,264	1,250
Other Assets	5,590	6,444	7,175	4,885	6,002
Total assets	188,912	181,932	183,440	174,733	189,115
Noninterest bearing deposits	46,896	45,813	44,398	37,823	38,673
Interest bearing deposits	118,861	113,839	117,411	115,922	128,345
Total deposits	165,757	159,652	161,809	153,745	167,018
Fed Funds Purchased and Repurchase Agreements	429	429	229	229	228
Other Liabilities	587	670	590	277	965
Total liabilities	166,773	160,751	162,628	154,251	168,211
Shareholders' Equity Actual	22,054	21,844	21,052	20,656	19,996
Unrealized Gain - AFS	85	(233)	(240)	(174)	908
Total Equity	\$22,139	\$21,611	\$20,812	\$20,482	\$20,904

NONPERFORMING ASSETS	Quarter Ending				
	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
Nonaccrual loans	\$402	\$402	\$402	\$429	\$0
Restructured loans	\$0	\$0	\$0	\$0	\$0
Other real estate & foreclosed assets	\$0	\$0	\$0	\$0	\$0
Accruing loans past due 90 days or more	\$0	\$0	\$0	\$0	\$0
Total nonperforming assets	\$402	\$402	\$402	\$429	\$0
Accruing loans past due 30-89 days	\$0	\$0	\$0	\$1,097	\$0
Total nonperforming assets as a percentage of loans and foreclosed assets	0.39%	0.37%	0.43%	0.45%	0.00%

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

ALLOWANCE FOR LOAN LOSSES	Quarter Ending				
	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
Balance at beginning of period	\$1,321	\$1,271	\$1,249	\$1,245	\$1,073
Loans charged off	0	0	0	0	0
Loan recoveries	0	0	2	4	0
Net (charge-offs) recoveries	0	0	2	4	0
Provision for loan losses	75	50	20	0	172
Balance at end of period	\$1,396	\$1,321	\$1,271	\$1,249	\$1,245
Allowance for loan losses as a percentage of total loans	1.35%	1.21%	1.35%	1.32%	1.42%
Allowance for loan losses as a percentage of nonperforming loans	347%	329%	316%	291%	N/A
Net charge-offs (recoveries) as a percentage of average loans	N/A	N/A	N/A	N/A	N/A
Provision for loan losses as a percentage of average loans	0.07%	0.05%	0.02%	N/A	0.19%

SELECTED RATIOS	Quarter Ending				
	March 31, 2014	Dec 31, 2013	Sept. 30, 2013	June 30, 2013	March 31, 2013
Return on average assets (annualized)	1.71%	1.66%	1.61%	1.56%	1.48%
Return on average equity (annualized)	13.92%	14.20%	14.04%	13.16%	13.04%
Return on average equity (excluding unrealized gain on investments)	13.95%	14.10%	13.74%	13.76%	13.70%
Average shareholders' equity to average assets	12.27%	11.71%	11.45%	11.86%	11.32%
Yield on earning assets (tax equivalent)	4.14%	4.00%	3.92%	3.87%	3.65%
Cost of interest bearing funds	0.33%	0.34%	0.34%	0.34%	0.33%
Net interest margin (tax equivalent)	3.92%	3.78%	3.69%	3.63%	3.41%
Efficiency ratio (tax equivalent)	39.5%	38.5%	3690.0%	44.1%	42.0%
End of period book value per common share	\$19.68	\$19.09	\$18.40	\$18.09	\$18.47
End of period book value (excluding unrealized gain on investments)	\$19.60	\$19.30	\$18.61	\$18.25	\$17.66
End of period common shares outstanding (in 000's)	1,125	1,132	1,131	1,132	1,132

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

YIELD ANALYSIS	3 Months Ending				3 Months Ending			
	March 31, 2014				March 31, 2013			
	Average Balance	Interest	Yield	Tax Equivalent Yield	Average Balance	Interest	Yield	Tax Equivalent Yield
Interest Earning Assets:								
Short term investment	\$ 10,122	15	0.59%	0.59%	\$ 25,315	28	0.44%	0.44%
Investment securities	16,427	134	3.26%	3.26%	23,059	191	3.31%	3.31%
Tax Free securities	44,515	249	2.24%	3.22%	41,910	211	2.01%	2.90%
Loans	104,737	1,311	5.01%	5.01%	88,373	1,107	5.01%	5.01%
Total Interest Earning Assets	175,801	1,709	3.89%	4.14%	178,657	1,537	3.44%	3.65%
Noninterest Earning Assets:								
Cash and due from banks	3,504				3,644			
Other assets	2,538				4,222			
Allowance for loan losses	(1,356)				(1,171)			
Total Noninterest Earning Assets	4,686				6,695			
Total Assets	\$180,487				\$185,352			
Interest Bearing Liabilities:								
Transaction and Money Market accounts	89,438	62	0.28%	0.28%	101,715	72	0.28%	0.28%
Certificates and other time deposits	25,276	34	0.54%	0.54%	24,660	34	0.55%	0.55%
Other borrowings	442	0	0.13%	0.13%	545	0	0.22%	0.22%
Total Interest Bearing Liabilities	115,156	96	0.33%	0.33%	126,920	106	0.33%	0.33%
Noninterest Bearing Liabilities								
Demand deposits	42,918				36,699			
Other liabilities	259				745			
Shareholders' Equity	22,154				20,988			
Total Liabilities and Shareholders Equity	\$180,487				\$185,352			
Net Interest Income and Spread		1,613	3.55%	3.81%		1,431	3.11%	3.32%
Net Interest Margin			3.67%	3.92%			3.20%	3.41%

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

	March 31		March 31	
	2014	%	2013	%
LOAN PORTFOLIO				
Commercial and industrial	\$57,699	55.61%	\$47,803	54.37%
Real estate:				
Commercial	16,899	16.29%	15,239	17.33%
Residential	20,428	19.69%	13,686	15.57%
Construction and development	7,113	6.86%	8,875	10.09%
Consumer	1,622	1.56%	2,323	2.64%
Total loans (gross)	103,761	100.00%	87,926	100.00%
Unearned discounts	0	0.00%	0	0.00%
Total loans (net)	\$103,761	100.00%	\$87,926	100.00%

	March 31	March 31
	2014	2013
REGULATORY CAPITAL DATA		
Tier 1 Capital	\$22,054	\$19,996
Total Capital (Tier 1 + Tier 2)	\$23,450	\$21,241
Total Risk-Adjusted Assets	\$121,805	\$118,815
Tier 1 Risk-Based Capital Ratio	18.11%	16.83%
Total Risk-Based Capital Ratio	19.25%	17.88%
Tier 1 Leverage Ratio	12.22%	10.80%

OTHER DATA

Full Time Equivalent Employees (FTE's)	14	14
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Stock Price Range

(For the Three Months Ended):

High	\$37.00	\$36.00
Low	\$35.01	\$33.00
Close	\$37.00	\$36.00