JEFFREY M. HARP
President
jharp@TrinityBk.com

July 31, 2012

Dear Shareholder:

The second quarter of 2012 was another good quarter for Trinity Bank. We had some growth in loans and deposits. Profits continue to increase. Our efficiency (the amount of income we generate for each dollar of expense) is excellent, and our loan quality is good. More on loan quality later. The press release and summary of financial performance for the second quarter is attached to this letter for your review. Please call or email if you have any questions about the numbers.

New Staff

As mentioned in the press release, we have added a new lender to our staff. Doug Dowd joined Trinity Bank at the end of June from one of the Fort Worth branches of Frost bank. It only took us about four months to hire Doug. As I have mentioned in previous letters, the lenders we want to hire are usually not looking for a new position. They are productive and well thought of by their current employers. We have to identify them and then convince them to look at the opportunity that Trinity Bank offers. Our ace-in-the-hole is that we have a way to "build wealth" through stock options that other banks don't have or don't offer.

We are pleased to have Doug join us and look forward to him contributing to our performance in the future. Don't expect a quick increase in loan volume. We would like to see quick growth, but good customers are hard to find and it is even harder to get them to change banks. But effort is important. And Doug is good at and willing to "pound the pavement". The difficult part about the banking business is that, for the most part, if you do a really good job today, it likely will bear fruit in 18 months to 2 years. Every now and then, you get lucky and find someone unhappy, or you get an unusual opportunity quickly. But most of the time, it is just a tough grind to identify good customers and convince them to give us a try.

While I am talking about staff, let me brag on Barney Wiley. As most of you know, Barney has been with us on the "Long March". He joined Trinity when we opened in 2003. He has built a large, high-quality loan portfolio, and he hasn't suffered a loss yet. Since we parted ways with our other lender in January, Barney has assisted me in keeping the "wheels on" an $80 million loan portfolio while we were looking for the right replacement. He was recently promoted to Executive Vice President. Please join me in thanking him and congratulating him.

In addition to our new lender, we have two or three more good lenders that we have identified and continue to court. Ideally, we will add another lender and another administrative assistant by year end.

Loan Quality

I haven't talked to you about loan quality in a while, so I want to revisit the subject. Of the banks that perform poorly or are closed by the regulators, 99% of them do so because of bad loans. The other 1% is usually some kind of fraud or liquidity issue. Trinity Bank has been very fortunate to date. We have made it 9 plus years since opening in May, 2003 without a loan loss. And we have had decent loan growth – not great, but good on a comparative basis.

We have just completed a Loan Review by a third-party provider (I have used them since 1987) that is staffed by former bank examiners. In summary, this review resulted in the following comments:

1. risk identification is good,

2. there were no past due loans (as of April 30th, the date of the review) and problem loans are at low levels as a percentage of capital, and

3. the Loan Loss Reserve is adequate (you need to know that, in regulator language, adequate is as good as it gets).

We are currently undergoing our regularly scheduled (every 18 months) examination by the Office of the Comptroller of the Currency, the national bank examiners. We expect to get a good report from that agency as well.

That is the good news. The bad news is that we have three borrowers that we are really struggling with. And we will have our first loan charge-off sometime this year – barring a miracle. One of the relationships is, in my opinion, an outright fraud from the beginning. We should have seen some red flags, but didn't. The other two are borrowers that have suffered through some tough times and just haven't recovered.

In any event, the total debt of the three relationships is a little less than $600,000. So the resulting loss is not going to kill us. But it is disappointing anytime you break a record of performance that you have worked hard to achieve and are very proud of. And the main problem is that it has really put a crimp in my ego (no responses please). As my sweet little grandmother used to say, "It sounds like you have been drinking your own bath water". I think that meant I was getting a little overconfident. Making it nine plus years without a loss makes you think that you are better than perhaps you really are.

One is always supposed to "sandwich" bad news with good news, if possible. To that end, I am pleased to report that the large relationship that we placed in non-performing status in September, 2010 has fully recovered. They have reduced their debt with strong profitability in 2011 and 2012 year to date. We have recovered all of the previously unaccrued interest and the loan is no longer classified. It is always a plus to help good people through bad times.

In all seriousness loan quality is still the "key" and, we have done a good job to date. We will likely have our first loan loss this year. We're disappointed. But if you loan money for a living, eventually you will have some loss.

Economic Forecast

Some of you ask me from time to time about my thoughts on the big picture macroeconomy. And I haven't pontificated about the subject lately, so I thought I would end this letter with a short summary. Some of these points are borrowed from writers like John Mauldin and Van Hoisington (that are smarter than I am and have a better view).

1. The national debt – $14 trillion plus – is too big for us to repay through the growth in the economy. It's just too big. It would take 20 years of $700 billion budget surpluses to get us out of debt. For those who don't believe that we need to repay all of the debt (just pay it down to some acceptable % of GDP – say 70% and keep it there), it would take 10 years of $400 billion budget surpluses to get there.

   There is too much debt in the system. It is going to be destroyed. Debt can only be repaid or written off or restructured (which is some of both of the first two). But the debt is going to have to be destroyed. We cannot grow our way out of it. And it's deflationary, not inflationary. But once we get through this, we will have a much brighter future.

2. This is not all bad. We're coming to the end of government's (any government's) ability to borrow money to fund current spending that's beyond the growth of the economy. You are seeing that now in Europe. Next will be Japan, then the U.S.

3. The good thing about the government running out of the ability to borrow is that all governments are terrible at allocating capital productively. Another good writer, Mike Shedlock, has a great chart. Every area of the U.S. economy that is experiencing inflation – i.e. education (student loans), health care (Medicare), etc – is heavily subsidized by the government.

   Another example of misallocation of capital is the misguided desire by the government for everyone to own a home. The latest housing boom was created as the Fed made money and credit overly ample and then failed to use regulatory powers to check the unsound lending and the resulting buildup of non-productive debt.

4. Bankers (or lenders in general) are not without fault. Very little stupid stuff happens without a dumb lender (or investor) being involved. But somehow, we, the taxpayer, bail out the dumb lenders through the political process instead of letting them go broke so that we can replace them with smart (less dumb) lenders.

5. We have an election in the fall that will, in part, determine how we deal with our debt. If we get the deficit on a path to a balanced budget, and if we get real tax reform, then we will face a long period of slow growth. Anyone who thinks raising taxes on the "rich" will help the "middle class" is a politician, not a businessperson. And anyone who thinks earning $250,000 per year makes you rich needs to have three kids and wonder how you are going to educate them. If we don't do both things – get the deficit under control (which is going to take tax increases and spending cuts) – and have real tax reform, we will hit the wall like Greece and Spain, and we will have a depression – probably different than the depression of the 1930's, but a depression nonetheless.

Please remember this last part is opinion, not fact. Thanks for your investment in Trinity Bank. Please call or email me with any of your comments or suggestions.

Sincerely,

Jeff Harp

Jeffrey M. Harp
President

For Immediate Release

TRINITY BANK 2012 2nd QUARTER PROFITS UP 15.4%

2nd QUARTER EARNINGS PER SHARE UP 16.3%

31st CONSECUTIVE QUARTER OF PROFIT IMPROVEMENT

FORT WORTH, Texas, July 20, 2012 - Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced operating results for the second quarter and the six months ending June 30, 2012.

Results of Operations

For the second quarter of 2012, Trinity Bank, N.A. reported Net Income after Taxes of $644,000, an increase of 15.4% over second quarter 2011 earnings of $558,000. Earnings per diluted common share for the second quarter 2012 amounted to $.57, an increase of 16.3% over second quarter 2011 results of $.49 per diluted common share.

For the first six months of 2012, Net Income after Taxes was $1,265,000, an increase of 15.3% over the first half of 2011 results of $1,097,000. Earnings per diluted common share for the first half of 2012 were $1.12, an increase of 15.5% over the first half of 2011 results of $.97 per diluted common share.

Jeffrey M. Harp, President, stated, "2012's second quarter results maintained our record of improving performance each quarter. A 16% increase in average loans outstanding offset a continuing decline in the investment income from our securities portfolio."

"I am please to announce that at the end of June, Doug Dowd has joined the Trinity Bank staff as Vice-President of Commercial Lending. Doug comes to us from a local competitor. We look forward to his contribution to our operating results."

"Also, on July 11, 2012, Trinity Bank was notified that it has received a financial strength rating of ***A*** or ***Excellent*** from Weiss Ratings, the nation's lending independent provider of ratings and analyses of financial services companies. Fewer than 2% of the 19,000 institutions in the nation meet Weiss Ratings' criteria for exceptional financial strength."

TRINITY BANK 2012

Actual for Quarter Ending

(in 000's)	3 Months 6-30-12	3 Months 6-30-11	%
Net Income	$ 644	$ 558	15.4 %
Diluted Earnings per Share	$ 0.57	$ 0.49	16.3 %
Diluted Weighted Average Shares	1,136	1,133	

Actual for Six Months Ending

(in 000's)	6 Months 6-30-12	6 Months 6-30-11	%
Net Income	$ 1,265	$ 1,097	15.3 %
Diluted Earnings per Share	$ 1.12	$ .97	15.5 %
Diluted Weighted Average Shares	1,125	1,131	
Return on Assets	1.54 %	1.46 %	
Return on Equity	13.59 %	13.11 %	

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

	Quarter Ended June 30		%	Six Months Ended June 30		%
EARNINGS SUMMARY	**2012**	**2011**	**Change**	**2012**	**2011**	**Change**
Interest income	1,554	1,426	9.0%	3,069	2,900	5.8%
Interest expense	151	217	-30.4%	312	443	-29.6%
Net Interest Income	**1,403**	**1,209**	**16.0%**	**2,757**	**2,457**	**12.2%**
Provision for Loan Losses	**0**	**0**	**N/A**	**0**	**0**	**N/A**
Service charges on deposits	28	29	-3.4%	65	66	-1.5%
Net gain on securities available for sale	0	28	-100.0%	17	57	-70.2%
Other income	72	78	-7.7%	131	140	-6.4%
Total Non Interest Income	**100**	**135**	**-25.9%**	**213**	**263**	**-19.0%**
Salaries and benefits expense	309	312	-1.0%	640	652	-1.8%
Occupancy and equipment expense	76	79	-3.8%	150	154	-2.6%
Other expense	252	218	15.6%	489	478	2.3%
Total Non Interest Expense	**637**	**609**	**4.6%**	**1,279**	**1,284**	**-0.4%**
Earnings before income taxes	866	735	17.8%	1,691	1,436	17.8%
Provision for income taxes	222	177	25.4%	426	339	25.7%
Net Earnings	**644**	**558**	**15.4%**	**1,265**	**1,097**	**15.3%**
Basic earnings per share	0.59	0.52	**13.5%**	1.19	1.03	**15.5%**
Basic weighted average shares outstanding	1,078	1,072		1,067	1,070	
Diluted earnings per share	0.57	0.49	**16.3%**	1.12	0.97	**15.5%**
Diluted weighted average shares outstanding	1,136	1,133		1,125	1,131	

	Average for Quarter Ending June 30		%	Average for Six Months Ending June 30		%
BALANCE SHEET SUMMARY	**2012**	**2011**	**Change**	**2012**	**2011**	**Change**
Total loans	$83,133	$71,676	16.0%	$82,134	$71,391	15.0%
Total short term investments	16,955	21,929	-22.7%	17,725	19,025	-6.8%
Total investment securities	58,031	50,714	14.4%	57,740	53,681	7.6%
Earning assets	**158,119**	**144,319**	**9.6%**	**157,599**	**144,097**	**9.4%**
Total assets	**164,933**	**152,633**	**8.1%**	**164,343**	**152,020**	**8.1%**
Noninterest bearing deposits	31,337	25,176	24.5%	30,567	24,644	24.0%
Interest bearing deposits	112,538	108,696	3.5%	112,904	108,932	3.6%
Total deposits	**143,875**	**133,872**	**7.5%**	**143,471**	**133,576**	**7.4%**
Fed Funds Purchased and Repurchase Agreements	**251**	**438**	**-42.7%**	**351**	**609**	**-42.4%**
Shareholders' equity	**19,962**	**17,687**	**12.9%**	**19,689**	**17,331**	**13.6%**

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

BALANCE SHEET SUMMARY	Average for Quarter Ending June 30, 2012	March 31, 2012	Dec 31, 2011	Sept. 30, 2011	June 30, 2011
Total loans	$83,133	$81,136	$76,426	$74,941	$71,676
Total short term investments	16,955	18,495	26,760	21,204	21,929
Total investment securities	58,031	57,451	56,751	51,908	50,714
Earning assets	**158,119**	**157,082**	**159,937**	**148,053**	**144,319**
Total assets	**164,933**	**163,755**	**166,392**	**154,363**	**152,633**
Noninterest bearing deposits	31,337	29,804	32,552	27,706	25,176
Interest bearing deposits	112,538	113,263	113,758	107,061	108,696
Total deposits	**143,875**	**143,067**	**146,310**	**134,767**	**133,872**
Fed Funds Purchased and Repurchase Agreements	**251**	**450**	**584**	**411**	**438**
Shareholders' equity	**19,962**	**19,416**	**18,690**	**18,401**	**17,687**

HISTORICAL EARNINGS SUMMARY	Quarter Ended June 30, 2012	March 31, 2012	Dec 31, 2011	Sept. 30, 2011	June 30, 2011
Interest income	1,554	1,514	1,509	1,471	1,426
Interest expense	151	161	199	203	217
Net Interest Income	**1,403**	**1,353**	**1,310**	**1,268**	**1,209**
Provision for Loan Losses	**0**	**0**	**0**	**0**	**0**
Service charges on deposits	28	37	37	35	29
Net gain on securities available for sale	0	17	18	40	28
Other income	72	59	55	92	78
Total Non Interest Income	**100**	**113**	**110**	**167**	**135**
Salaries and benefits expense	309	331	450	317	312
Occupancy and equipment expense	76	74	81	82	79
FDIC expense	14	14	45	45	45
Other expense	238	223	45	226	173
Total Non Interest Expense	**637**	**642**	**621**	**670**	**609**
Earnings before income taxes	866	824	799	765	735
Provision for income taxes	222	203	194	185	177
Net Earnings	**644**	**621**	**605**	**580**	**558**

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

HISTORICAL BALANCE SHEET	Ending Balance June 30, 2012	March 31, 2012	Dec 31, 2011	Sept. 30, 2011	June 30, 2011
Total loans	$83,510	$84,808	$81,272	$76,180	$74,822
Total short term investments	16,923	18,681	19,279	27,716	17,404
Total investment securities	61,625	56,640	58,540	53,370	51,982
Total earning assets	**162,058**	**160,129**	**159,091**	**157,266**	**144,208**
Allowance for loan losses	(1,371)	(1,371)	(1,371)	(1,371)	(1,371)
Premises and equipment	1,340	1,368	1,378	1,413	1,404
Other Assets	6,469	6,706	7,843	6,209	5,850
Total assets	**168,496**	**166,832**	**166,941**	**163,517**	**150,091**
Noninterest bearing deposits	33,721	32,239	34,203	33,733	24,208
Interest bearing deposits	113,377	114,268	112,163	109,722	106,761
Total deposits	**147,098**	**146,507**	**146,366**	**143,455**	**130,969**
Fed Funds Purchased and Repurchase Agreements	294	203	713	398	292
Other Liabilities	809	898	792	896	690
Total liabilities	**148,201**	**147,608**	**147,871**	**144,749**	**131,951**
Shareholders' Equity Actual	**19,244**	**18,368**	**18,025**	**17,667**	**17,306**
Unrealized Gain - AFS	**1,051**	**856**	**1,045**	**1,100**	**834**
Total Equity	**20,295**	**19,224**	**19,070**	**18,767**	**18,140**

NONPERFORMING ASSETS	Quarter Ending June 30, 2012	March 31, 2012	Dec 31, 2011	Sept. 30, 2011	June 30, 2011
Nonaccrual loans	$528	$221	$653	$735	$850
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	**$528**	**$221**	**$653**	**$735**	**$850**
Accruing loans past due 30-89 days	$0	$0	$0	$0	$0
Total nonperforming assets as a percentage of loans and foreclosed assets	0.63%	0.26%	0.80%	0.96%	1.12%

TRINITY BANK N.A.
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ALLOWANCE FOR LOAN LOSSES	Quarter Ending June 30, 2012	March 31, 2012	Dec 31, 2011	Sept. 30, 2011	June 30, 2011
Balance at beginning of period	**$1,371**	**$1,371**	**$1,371**	**$1,371**	**$1,371**
Loans charged off	0	0	0	0	0
Loan recoveries	0	0	0	0	0
Net (charge-offs) recoveries	0	0	0	0	0
Provision for loan losses	0	0	0	0	0
Balance at end of period	**$1,371**	**$1,371**	**$1,371**	**$1,371**	**$1,371**
Allowance for loan losses as a percentage of total loans	1.64%	1.62%	1.69%	1.80%	1.80%
Allowance for loan losses as a percentage of nonperforming loans	259.66%	620.36%	209.95%	186.53%	186.53%
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	N/A	N/A	N/A	N/A	N/A

SELECTED RATIOS	Quarter Ending June 30, 2012	March 31, 2012	Dec 31, 2011	Sept. 30, 2011	June 30, 2011
Return on average assets (annualized)	1.56%	1.52%	1.45%	1.50%	1.46%
Return on average equity (annualized)	12.90%	12.79%	12.95%	12.61%	12.62%
Return on average equity (excluding unrealized gain on investments)	13.61%	13.56%	13.62%	13.26%	13.11%
Average shareholders' equity to average assets	12.10%	11.86%	11.23%	11.92%	11.59%
Yield on earning assets (tax equivalent)	4.19%	4.14%	4.05%	4.26%	4.24%
Cost of interest bearing funds	0.54%	0.57%	0.70%	0.76%	0.80%
Net interest margin (tax equivalent)	3.81%	3.73%	3.56%	3.72%	3.64%
Efficiency ratio (tax equivalent)	39.59	40.71	40.55	43.42	42.29
End of period book value per common share	18.79	18.20	18.05	17.60	17.51
End of period book value (excluding unrealized gain on investments)	17.82	17.39	17.07	16.57	16.48
End of period common shares outstanding	1,080	1,056	1,056	1,066	1,072

TRINITY BANK N.A.
(Unaudited)
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YIELD ANALYSIS	3 Months Ending June 30, 2012 Average Balance	Interest	Yield	Tax Equivalent Yield	June 30, 2011 Average Balance	Interest	Yield	Tax Equivalent Yield
Interest Earning Assets:								
Short term investment	16,955	22	0.52%	0.52%	21,929	33	0.60%	0.60%
Investment securities	18,645	178	3.82%	3.82%	17,680	202	4.57%	4.57%
Tax Free securities	39,386	235	2.39%	3.44%	33,034	238	2.88%	4.15%
Loans	83,133	1,119	5.38%	5.38%	71,676	953	5.32%	5.32%
Total Interest Earning Assets	**158,119**	**1,554**	**3.93%**	**4.19%**	**144,319**	**1,426**	**3.95%**	**4.24%**
Noninterest Earning Assets:								
Cash and due from banks	3,794				5,590			
Other assets	4,391				4,095			
Allowance for loan losses	(1,371)				(1,371)			
Total Noninterest Earning Assets	**6,814**				**8,314**			
Total Assets	**$164,933**				**$152,633**			
Interest Bearing Liabilities:								
Transaction and Money Market accounts	83,870	96	0.46%	0.46%	79,397	144	0.73%	0.73%
Certificates and other time deposits	28,668	54	0.75%	0.75%	29,300	73	0.99%	0.99%
Other borrowings	251	1	1.59%	1.59%	438	1	0.46%	0.46%
Total Interest Bearing Liabilities	**112,789**	**151**	**0.54%**	**0.54%**	**109,135**	**217**	**0.80%**	**0.80%**
Noninterest Bearing Liabilities								
Demand deposits	31,337				25,176			
Other liabilities	845				635			
Shareholders' Equity	19,962				17,687			
Total Liabilities and Shareholders Equity	**$164,933**				**$152,633**			
Net Interest Income and Spread		**1,403**	**3.40%**	**3.66%**		**1,209**	**3.16%**	**3.45%**
Net Interest Margin			**3.55%**	**3.81%**			**3.35%**	**3.64%**

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

	June 30 2012	%	June 30 2011	%
LOAN PORTFOLIO				
Commercial and industrial	41,715	49.95%	35,199	47.04%
Real estate:				
Commercial	16,982	20.34%	13,243	17.70%
Residential	15,769	18.88%	14,634	19.56%
Construction and development	6,661	7.98%	10,148	13.56%
Consumer	2,383	2.85%	1,598	2.14%
Total loans (gross)	**83,510**	**100.00%**	**74,822**	**100.00%**
Unearned discounts	0	0.00%	0	0.00%
Total loans (net)	**83,510**	**100.00%**	**74,822**	**100.00%**

	June 30 2012	June 30 2011
REGULATORY CAPITAL DATA		
Tier 1 Capital	$19,244	$17,306
Total Capital (Tier 1 + Tier 2)	$20,615	$18,524
Total Risk-Weighted Assets	$111,063	$97,307
Tier 1 Ratio	17.33%	17.78%
Total Capital Ratio	18.56%	19.04%
Tier 1 Leverage Ratio	11.69%	11.37%
OTHER DATA		
Full Time Equivalent Employees (FTE's)	13	14
Stock Price Range (For the Three Months Ended):		
High	$30.00	$26.00
Low	$25.13	$25.50
Close	$30.00	$26.00