



JEFFREY M. HARP  
President  
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May 24, 2013

Dear Shareholders

As I write this letter, Trinity Bank is coming up on its 10<sup>th</sup> anniversary. To those of you that invested with us in May 2003 and to those who have joined us since, I want to give you my sincere thanks for your investment and your support. We couldn't have accomplished anything without you.

The first quarter of 2013 represents our 39<sup>th</sup> full quarter of operation. The Board, the management, and the staff are proud of our record to date. Every quarter since inception has been better than the quarter before. There may be other banks in the U.S. that can match that record of performance, but I don't know of any.

Net Income for the first quarter was up 10.1% over the first quarter of 2012. This rate of increase in Net Income (10.1%) over the comparable 2012 quarter is at the low end of our historical performance and it will likely remain that way for the remainder of 2013. We continue to face the challenge (as all banks are) of securities maturing with yields that cannot be replaced in this artificial low rate environment. However, we have a great record of sustained improvement, and we will do everything we can to maintain it. The Press Release and the Financial Summary is attached for your review.

In the last shareholder letter, I stated that I would give you some comparative information on how Trinity Bank is performing versus its peers and, in addition, some information on how Trinity Bank is valued compared to other publicly-traded banks.

#### **TRINITY BANK VS. PEER BANKS**

Each year, SNL Financial produces a list of the Top 200 Community Banks in the U.S. of all the publicly-traded banks with less than \$2 billion in assets. Trinity Bank was ranked 37<sup>th</sup> based on the Return on Average Equity over the last three years (2010-2012). This was an improvement from 51<sup>st</sup> place in 2011. Obviously, we are pleased with this public recognition of our performance.

However, there are a lot of banks in the U.S. that are not publicly traded. So how did we perform compared to a local peer group and a national peer group?

Samco Capital Markets, Inc prepared a Comparative Bank Performance Analysis for Trinity Bank for 2012 with data from SNL Financial. The report is 61 pages long so I won't share it all with you (I accept your thanks). SAMCO developed two peer groups. The first is all 45 banks in the Dallas/Fort Worth MSA between \$100 million and \$500 million in assets. The second peer group was 221 banks in the U.S. between \$175 million and \$225 million that were earning more than .85% Return on Average Assets. The last part was underlined to emphasize that this group of 221 banks is the "cream of the crop". Banks with problems or with marginal earnings were excluded.

The chart below summarizes their findings for 2012.

	<u>Return on Average Assets</u>	<u>Return on Equity</u>
Trinity Bank	1.51%	12.87%
DFW Peer Group*	0.81%	7.24%
National High - Performing Peer Group**	1.19%	10.51%

\*All 45 DFW banks \$100 - \$500 million in assets

\*\*221 U.S. banks \$175 - \$225 million in assets earning more than .85% ROAA

So you can see, your bank is performing well.

The second piece of the puzzle is, "How is the market valuing your performance?"

### **TRINITY BANK MARKET VALUE COMPARISON**

There are 50 Publicly-Traded Financial Institutions in the Southwestern U.S. ranging from giants such as Comerica (\$60 billion in assets) and Cullen/Frost (\$22 billion in assets) to banks our size and smaller. There are three main measures of market valuation. First, we established our market value.

Trinity Bank's stock price on March 31, 2013 was \$36 and we had 1,132,279 shares outstanding – giving us a Market Value of \$40,762,000. The first measure of valuation takes the Market Value and divides it by Total Assets to give a Price/Assets ratio. The second measure takes the Market Value and divides it by Book Value to give a Price/Book Value ratio. The third measure takes the Market Value and divides it by the Last Twelve Months earnings to give a Price/Earnings ratio.

The chart below compares Trinity Bank to the median of these 50 publicly-traded banks and to a couple of large, recognizable names.

	<u>Price/ Assets</u>	<u>Price/ Book Value</u>	<u>Price/ LTM Net Income</u>
Trinity Bank	20.31%	197.19%	15.72
Median of 50 banks	11.66%	115.17%	14.82
Cullen/Frost	16.61%	205.67%	16.20
Texas Capital Bank	15.65%	202.02%	13.67

As you can see from this chart, the market is valuing Trinity Bank well above the median valuation and at least in line with some of the large, recognizable banks.

So, in summary, while we would like our stock price to be higher (as everyone wishes), the market is valuing us fairly and not penalizing us for being a small bank in one market. One of the nice things about the banking business is that there is not much, if any, of a size advantage. We can compete and perform as well as a big bank. The market, at least up to now, has recognized that.

So for all of you that aren't already dozing off from all these numbers, let me finish up with one more. When Trinity Bank opened in March 2003, you, the shareholders, entrusted us with a little over \$11,000,000 in Capital. In January of 2013, your bank reached a milestone. Net Income after Taxes since inception reached the \$11,000,000 mark as well. You gave us \$11,000,000 and we've earned \$11,000,000. I wish we could have done it sooner, but we did the best we could. And I am pleased to tell you that we are earning at a pace now to make another \$11,000,000 in less than five years. So hang on. The best is yet to come.

You will probably receive this letter after our 10<sup>th</sup> Annual Meeting on May 28<sup>th</sup>. I hope I was able to see you at the meeting. But if you were unable to attend, please know that you are welcome to stop by anytime.

You should have received your third cash dividend recently (mailed April 30, 2013). We trust you enjoy some tangible return on your investment. The Board will review the dividend policy again in the fall after the first half of the year results are in.

Thanks again for your support. Please let me know if you have any questions or topics that you would like to be addressed in these attempts to communicate with shareholders.

Sincerely,



Jeffrey M. Harp  
President

**For Immediate Release**

**TRINITY BANK REPORTS:  
2013 FIRST QUARTER NET INCOME UP 10.1%  
THIRD CASH DIVIDEND DECLARED**

FORT WORTH, Texas, April 26, 2013 - Trinity Bank N.A. (OTC Bulletin Board: TYBT) today announced operating results for the three months ending March 31, 2013.

**Results of Operations**

Trinity Bank, N.A. reported Net Income After Taxes of \$684,000, or \$.60 per diluted common share for the first quarter of 2013, compared to \$621,000 or \$.55 per diluted common share for the first quarter of 2012, an increase of 9.1%.

President Jeffrey M. Harp stated, "Net Income increased 10.1%. That's the good news. The bad news is that too much of the increase came from one-time items instead of core earnings. Continued economic uncertainty and the Federal Reserve induced low interest rate environment are difficult challenges to overcome. In spite of these factors, Trinity Bank produced a Return on Assets of 1.48% and a Return on Equity of 13.70% for the first quarter of 2013. Both measures continue to compare very favorably to local, state and national peer groups."

"As previously announced, Trinity will distribute its third cash dividend (\$.25 per share) to shareholders on April 30, 2013."

<u>Average for Quarter Ending</u> (in 000's)	<u>03/31/2013</u>	<u>03/31/2012</u>	<u>%</u>
Loans	\$88,373	\$81,136	8.9%
Deposits	\$163,074	\$143,067	14.0%

<u>Actual for Quarter Ending</u> (in 000's)	<u>03/31/2013</u>	<u>03/31/2012</u>	<u>%</u>
Net Interest Income	\$1,431	\$1,353	5.8%
Non-Interest Income	108	96	12.5%
Non-Interest Expense	(708)	(642)	10.3%
Pretax Preprovision Income	\$831	\$807	3.0%

Gain on Sale of Securities and Foreclosed Assets	\$278	\$17	N/M
Loan Loss Provision	(172)	-	N/M
Pre Tax Income	937	824	13.7%
Income Tax	(253)	(\$203)	24.6%
Net Income	\$684	\$621	10.1%
Diluted Weighted Average Shares	1,141	1,119	1.9%
Earnings per Share	\$0.60	\$0.55	9.1%
Return on Assets	1.48%	1.52%	
Return on Equity	13.70%	13.56%	

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](http://www.trinitybk.com) Regulatory reporting format is also available at [www.fdic.gov](http://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 March 31		%
	2013	2012	
Interest income	1,537	1,514	1.5%
Interest expense	106	161	-34.2%
<b>Net Interest Income</b>	<b>1,431</b>	<b>1,353</b>	<b>6.8%</b>
Service charges on deposits	39	37	5.4%
Other income	69	59	16.9%
<b>Total Non Interest Income</b>	<b>108</b>	<b>96</b>	<b>12.5%</b>
Salaries and benefits expense	373	331	12.7%
Occupancy and equipment expense	81	74	9.5%
Other expense	254	237	7.2%
<b>Total Non Interest Expense</b>	<b>708</b>	<b>642</b>	<b>10.3%</b>
<b>Pretax pre-provision income</b>	<b>831</b>	<b>807</b>	<b>3.0%</b>
Gain on sale of securities	226	17	N/M
Gain on sale of foreclosed assets	52	0	N/M
<b>Provision for Loan Losses</b>	<b>172</b>	<b>0</b>	<b>N/M</b>
Earnings before income taxes	937	824	13.7%
Provision for income taxes	253	203	24.6%
<b>Net Earnings</b>	<b>684</b>	<b>621</b>	<b>10.1%</b>
Basic earnings per share	0.61	0.59	3.4%
Basic weighted average shares outstanding	1,130	1,056	
Diluted earnings per share	0.60	0.55	9.1%
Diluted weighted average shares outstanding	1,141	1,119	

BALANCE SHEET SUMMARY	Average for Quarter Ending March 31		%
	2013	2012	
Total loans	\$88,373	\$81,136	8.9%
Total short term investments	25,315	18,495	36.9%
Total investment securities	64,969	57,451	13.1%
<b>Earning assets</b>	<b>178,657</b>	<b>157,082</b>	<b>13.7%</b>
<b>Total assets</b>	<b>185,352</b>	<b>163,755</b>	<b>13.2%</b>
Noninterest bearing deposits	36,699	29,804	23.1%
Interest bearing deposits	126,375	113,263	11.6%
<b>Total deposits</b>	<b>163,074</b>	<b>143,067</b>	<b>14.0%</b>
<b>Fed Funds Purchased and Repurchase Agreements</b>	<b>545</b>	<b>450</b>	<b>21.1%</b>
<b>Shareholders' equity</b>	<b>20,988</b>	<b>19,416</b>	<b>8.1%</b>

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

BALANCE SHEET SUMMARY	March 31, 2013	Average for Quarter Ending			March 31, 2012
		Dec 31, 2012	Sept. 30, 2012	June 30, 2012	
Total loans	\$88,373	\$85,853	\$83,792	\$83,133	\$81,136
Total short term investments	25,315	25,057	27,327	16,955	18,495
Total investment securities	64,969	59,626	58,929	58,031	57,451
<b>Earning assets</b>	<b>178,657</b>	<b>170,536</b>	<b>170,048</b>	<b>158,119</b>	<b>157,082</b>
<b>Total assets</b>	<b>185,352</b>	<b>177,855</b>	<b>176,847</b>	<b>164,933</b>	<b>163,755</b>
Noninterest bearing deposits	36,699	38,481	35,755	31,337	29,804
Interest bearing deposits	126,375	116,937	119,186	112,538	113,263
<b>Total deposits</b>	<b>163,074</b>	<b>155,418</b>	<b>154,941</b>	<b>143,875</b>	<b>143,067</b>
Fed Funds Purchased and Repurchase Agreements	545	451	395	251	450
Shareholders' equity	20,988	20,529	20,621	19,962	19,416

HISTORICAL EARNINGS SUMMARY	March 31, 2013	Quarter Ended			March 31, 2012
		Dec 31, 2012	Sept. 30, 2012	June 30, 2012	
Interest income	1,537	1,542	1,526	1,554	1,514
Interest expense	106	110	134	151	161
<b>Net Interest Income</b>	<b>1,431</b>	<b>1,432</b>	<b>1,392</b>	<b>1,403</b>	<b>1,353</b>
Service charges on deposits	39	41	37	28	37
Other income	69	64	56	72	59
<b>Total Non Interest Income</b>	<b>108</b>	<b>105</b>	<b>93</b>	<b>100</b>	<b>96</b>
Salaries and benefits expense	373	512	342	309	331
Occupancy and equipment expense	81	84	74	76	74
Other expense	254	122	190	252	237
<b>Total Non Interest Expense</b>	<b>708</b>	<b>718</b>	<b>606</b>	<b>637</b>	<b>642</b>
<b>Pretax pre-provision income</b>	<b>831</b>	<b>819</b>	<b>879</b>	<b>866</b>	<b>807</b>
Gain on sale of securities	226	116	153	0	17
Gain on sale of foreclosed assets	52	0	0	0	0
<b>Provision for Loan Losses</b>	<b>172</b>	<b>45</b>	<b>150</b>	<b>0</b>	<b>0</b>
Earnings before income taxes	937	890	882	866	824
Provision for income taxes	253	225	231	222	203
<b>Net Earnings</b>	<b>684</b>	<b>665</b>	<b>651</b>	<b>644</b>	<b>621</b>

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

HISTORICAL BALANCE SHEET	Ending Balance				
	March 31, 2013	Dec 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
Total loans	\$87,926	\$93,523	\$84,625	\$83,510	\$84,808
Total short term investments	32,274	34,511	30,196	16,923	18,681
Total investment securities	62,908	65,031	58,166	61,625	56,640
<b>Total earning assets</b>	<b>183,108</b>	<b>193,065</b>	<b>172,987</b>	<b>162,058</b>	<b>160,129</b>
Allowance for loan losses	(1,245)	(1,073)	(1,026)	(1,371)	(1,371)
Premises and equipment	1,250	1,287	1,322	1,340	1,368
Other Assets	6,002	6,474	6,040	6,469	6,706
<b>Total assets</b>	<b>189,115</b>	<b>199,753</b>	<b>179,323</b>	<b>168,496</b>	<b>166,832</b>
Noninterest bearing deposits	38,673	49,403	36,826	33,721	32,239
Interest bearing deposits	128,345	128,491	120,298	113,377	114,268
<b>Total deposits</b>	<b>167,018</b>	<b>177,894</b>	<b>157,124</b>	<b>147,098</b>	<b>146,507</b>
Fed Funds Purchased and Repurchase Agreements	228	559	409	294	203
Other Liabilities	965	725	910	809	898
<b>Total liabilities</b>	<b>168,211</b>	<b>179,178</b>	<b>158,443</b>	<b>148,201</b>	<b>147,608</b>
Shareholders' Equity Actual	19,996	19,546	19,775	19,244	18,368
Unrealized Gain - AFS	908	1,029	1,105	1,051	856
<b>Total Equity</b>	<b>20,904</b>	<b>20,575</b>	<b>20,880</b>	<b>20,295</b>	<b>19,224</b>
	Quarter Ending				
NONPERFORMING ASSETS	March 31, 2013	Dec 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
Nonaccrual loans	\$0	\$0	\$0	\$528	\$221
Restructured loans	\$0	\$0	\$0	\$0	\$0
Other real estate & foreclosed assets	\$0	\$35	\$72	\$0	\$0
Accruing loans past due 90 days or more	\$0	\$0	\$0	\$0	\$0
<b>Total nonperforming assets</b>	<b>\$0</b>	<b>\$35</b>	<b>\$72</b>	<b>\$528</b>	<b>\$221</b>
Accruing loans past due 30-89 days	\$0	\$0	\$0	\$0	\$0
Total nonperforming assets as a percentage of loans and foreclosed assets	0.00%	0.04%	0.09%	0.63%	0.26%



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

ALLOWANCE FOR LOAN LOSSES	Quarter Ending				
	March 31, 2013	Dec 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
<b>Balance at beginning of period</b>	<b>\$1,073</b>	<b>\$1,026</b>	<b>\$1,371</b>	<b>\$1,371</b>	<b>\$1,371</b>
Loans charged off	0	0	(499)	0	0
Loan recoveries	0	2	4	0	0
Net (charge-offs) recoveries	0	2	(495)	0	0
Provision for loan losses	172	45	150	0	0
<b>Balance at end of period</b>	<b>\$1,245</b>	<b>\$1,073</b>	<b>\$1,026</b>	<b>\$1,371</b>	<b>\$1,371</b>
Allowance for loan losses as a percentage of total loans	1.42%	1.15%	1.21%	1.62%	1.62%
Allowance for loan losses as a percentage of nonperforming loans	N/A	3066%	1425%	1904%	620%
Net charge-offs (recoveries) as a percentage of average loans	N/A	0.00%	0.59%	N/A	N/A
Provision for loan losses as a percentage of average loans	0.19%	0.05%	0.18%	N/A	N/A

SELECTED RATIOS	Quarter Ending				
	March 31, 2013	Dec 31, 2012	Sept. 30, 2012	June 30, 2012	March 31, 2012
Return on average assets (annualized)	1.48%	1.50%	1.47%	1.56%	1.52%
Return on average equity (annualized)	13.04%	12.96%	12.63%	12.90%	12.79%
Return on average equity (excluding unrealized gain on investments)	13.70%	13.79%	13.35%	13.61%	13.56%
Average shareholders' equity to average assets	11.32%	11.54%	11.66%	12.10%	11.86%
Yield on earning assets (tax equivalent)	3.65%	3.84%	3.82%	4.19%	4.14%
Cost of interest bearing funds	0.33%	0.37%	0.45%	0.54%	0.57%
Net interest margin (tax equivalent)	3.41%	3.58%	3.50%	3.81%	3.73%
Efficiency ratio (tax equivalent)	42.04	43.97	38.20	39.59	40.71
End of period book value per common share	18.47	18.26	19.23	18.79	18.20
End of period book value (excluding unrealized gain on investments)	17.66	17.34	18.21	17.82	17.39
End of period common shares outstanding	1,132	1,127	1,086	1,080	1,056

TRINITY BANK N.A.  
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YIELD ANALYSIS	3 Months Ending				3 Months Ending			
	March 31, 2013				March 31, 2012			
	Average Balance	Interest	Yield	Tax Equivalent Yield	Average Balance	Interest	Yield	Tax Equivalent Yield
<b>Interest Earning Assets:</b>								
Short term investment	25,315	28	0.44%	0.44%	18,495	23	0.50%	0.50%
Investment securities	23,059	191	3.31%	3.31%	16,116	175	4.34%	4.34%
Tax Free securities	41,910	211	2.01%	2.90%	41,335	252	2.44%	3.51%
Loans	88,373	1,107	5.01%	5.01%	81,136	1,064	5.25%	5.25%
<b>Total Interest Earning Assets</b>	<b>178,657</b>	<b>1,537</b>	<b>3.44%</b>	<b>3.65%</b>	<b>157,082</b>	<b>1,514</b>	<b>3.86%</b>	<b>4.14%</b>
<b>Noninterest Earning Assets:</b>								
Cash and due from banks	3,644				3,439			
Other assets	4,222				4,605			
Allowance for loan losses	(1,171)				(1,371)			
<b>Total Noninterest Earning Assets</b>	<b>6,695</b>				<b>6,673</b>			
<b>Total Assets</b>	<b>\$185,352</b>				<b>\$163,755</b>			
<b>Interest Bearing Liabilities:</b>								
Transaction and Money Market accounts	101,715	72	0.28%	0.28%	84,343	108	0.51%	0.51%
Certificates and other time deposits	24,660	34	0.55%	0.55%	28,920	52	0.72%	0.72%
Other borrowings	545	0	0.22%	0.22%	450	1	0.89%	0.89%
<b>Total Interest Bearing Liabilities</b>	<b>126,920</b>	<b>106</b>	<b>0.33%</b>	<b>0.33%</b>	<b>113,713</b>	<b>161</b>	<b>0.57%</b>	<b>0.57%</b>
<b>Noninterest Bearing Liabilities</b>								
Demand deposits	36,699				29,804			
Other liabilities	745				822			
Shareholders' Equity	20,988				19,416			
<b>Total Liabilities and Shareholders Equity</b>	<b>\$185,352</b>				<b>\$163,755</b>			
<b>Net Interest Income and Spread</b>		<b>1,431</b>	<b>3.11%</b>	<b>3.32%</b>		<b>1,353</b>	<b>3.29%</b>	<b>3.57%</b>
<b>Net Interest Margin</b>			<b>3.20%</b>	<b>3.41%</b>			<b>3.44%</b>	<b>3.73%</b>

TRINITY BANK N.A.  
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	March 31 2013	%	March 31 2012	%
<b>LOAN PORTFOLIO</b>				
Commercial and industrial	47,803	54.37%	42,633	50.27%
Real estate:				
Commercial	15,239	17.33%	15,786	18.61%
Residential	13,686	15.57%	16,584	19.55%
Construction and development	8,875	10.09%	7,712	9.09%
Consumer	2,323	2.64%	2,093	2.47%
<b>Total loans (gross)</b>	<b>87,926</b>	<b>100.00%</b>	<b>84,808</b>	<b>100.00%</b>
Unearned discounts	0	0.00%	0	0.00%
<b>Total loans (net)</b>	<b>87,926</b>	<b>100.00%</b>	<b>84,808</b>	<b>100.00%</b>

	March 31 2013	March 31 2012
<b>REGULATORY CAPITAL DATA</b>		
Tier 1 Capital	\$19,996	\$18,369
Total Capital (Tier 1 + Tier 2)	\$21,241	\$19,722
Total Risk-Adjusted Assets	\$118,815	\$108,247
Tier 1 Risk-Based Capital Ratio	16.83%	16.92%
Total Risk-Based Capital Ratio	17.88%	18.22%
Tier 1 Leverage Ratio	10.80%	11.24%

**OTHER DATA**

Full Time Equivalent Employees (FTE's)	14	14
<b>Stock Price Range</b> (For the Three Months Ended):		
High	\$36.00	\$27.25
Low	\$33.00	\$25.50
Close	\$36.00	\$27.25